

Nation's Business

A GENERAL MAGAZINE FOR BUSINESSMEN

JUNE 1953

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**BIGGEST FAILURE IN
BUSINESS** page 36

After taxes —
YOU CAN KEEP MORE IN '54 page 25

IKE LIKES YOUTH page 38

FOURTH
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ARTZBASHEFF





**"Our *Nationals* save us over \$20,000 a year...
repay their cost every 6 months!"**

— **AMERICAN EXPORT LINES, INC., NEW YORK**

"Modernization with our National Accounting Machines enables us to prepare *simultaneously* the payroll journal, check register, earnings record, pay statement, and check and time sheet for the next period. We also write all quarterly Social Security reports and annual Withholding Tax statements on our Nationals.

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Chas. L. Nielsen
Controller

No matter what the size or type of business, National Machines cut costs. Nationals do up to $\frac{3}{4}$ of the work automatically, soon pay for themselves, then continue savings as handsome profit. (Operators are happier, too, because they accomplish their work more easily.) Your nearby National representative will gladly show how much *you* can save with Nationals.

THE NATIONAL CASH REGISTER COMPANY, DAYTON 9, OHIO

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Here's the story about the NEW PACKARD PROGRAM



What's happening at Packard?

Why is Packard the news-story of this automotive year?

These are questions heard almost daily, and we'll give you the answers as we see them—

The story broke last December. At that time Packard launched an entirely new program with the introduction of two new lines of cars:

The New Packard was introduced as America's new choice in fine cars;

The new Packard CLIPPER was introduced as a new car in the medium-price field built by Packard in the fine-car tradition.

The introduction of these beautiful new cars by America's real pioneer in quality-car production filled Packard showrooms from coast to coast.

For Packard was *Packard* . . . a name that had earned respect and attention; a name with a reputation for quality so deeply entrenched that it is considered one of the major achievements of the first fifty years of automotive history in America.

Think back a minute. You will remember either from personal experience, from your reading, or from hearing it said, that as the automobile industry grew, Packard became the national preference in fine cars by so wide a margin that no other fine-car manufacturer was even close!

In every state of the Union there were more Packards registered than any other fine car.

And for several decades Packard exported more fine cars

than any other three fine-car makers combined.

Until the mid-30's Packard was the only car that consistently dominated the luxury market. This represents a longer period of time than any other fine car has ever been on top.

During the depression years when the Nation's purse was thin, Packard virtually abandoned the fine-car field by concentrating production on a lower priced line.

In those days only a relatively few fine cars were produced to sell at high prices to families where Packard had become a tradition.

Successful as the lower-priced line was, it left the thousands who had grown accustomed to Packard's traditional fine-car luxury without the car of their choice.

Then about a year ago: *the New Packard Program!* Two important decisions regarding car lines were made . . .

1 . . . the decision to re-establish Packard in the fine-car field, and to confine the name Packard to luxury automobiles all the way up the line to and including the custom-built, eight-passenger models for corporate and personal use . . .

2 . . . the decision to introduce the Packard CLIPPER as the only medium-priced car in America built in the fine-car tradition.

Thus, the New Packard Program made news from the start. But seldom before in the spectacular history of the automotive industry has a program developed so

much interest, comment—and action! Today . . .

Packard production is at an all-time high.

Packard sales are running ahead of production.

Packard's famous engineering department which in 1915—nearly forty years ago—designed and built the famous Packard Twin-Six Engine, one of the first great V-type engines . . . which also designed and built the great Liberty Engine of World War I, the Navy's thunder-and-lightning PT boat engines of World War II . . . and other achievements of consequence, is being expanded to bring even further scientific advances to Packard-built cars.

New millions of dollars are being invested in Packard manufacturing facilities.

New strength is being added daily to the Packard dealer organization to provide more convenient service to the thousands of old and new customers who are buying Packard automobiles.

Now you are up-to-date on the story about the New Packard Program. There is just one thing left for us to say: to invite you to visit a Packard dealer and discover for yourself why the New Packard Program has become the news-story of this automotive year—

—why *the new Packard* is America's new choice in fine cars—

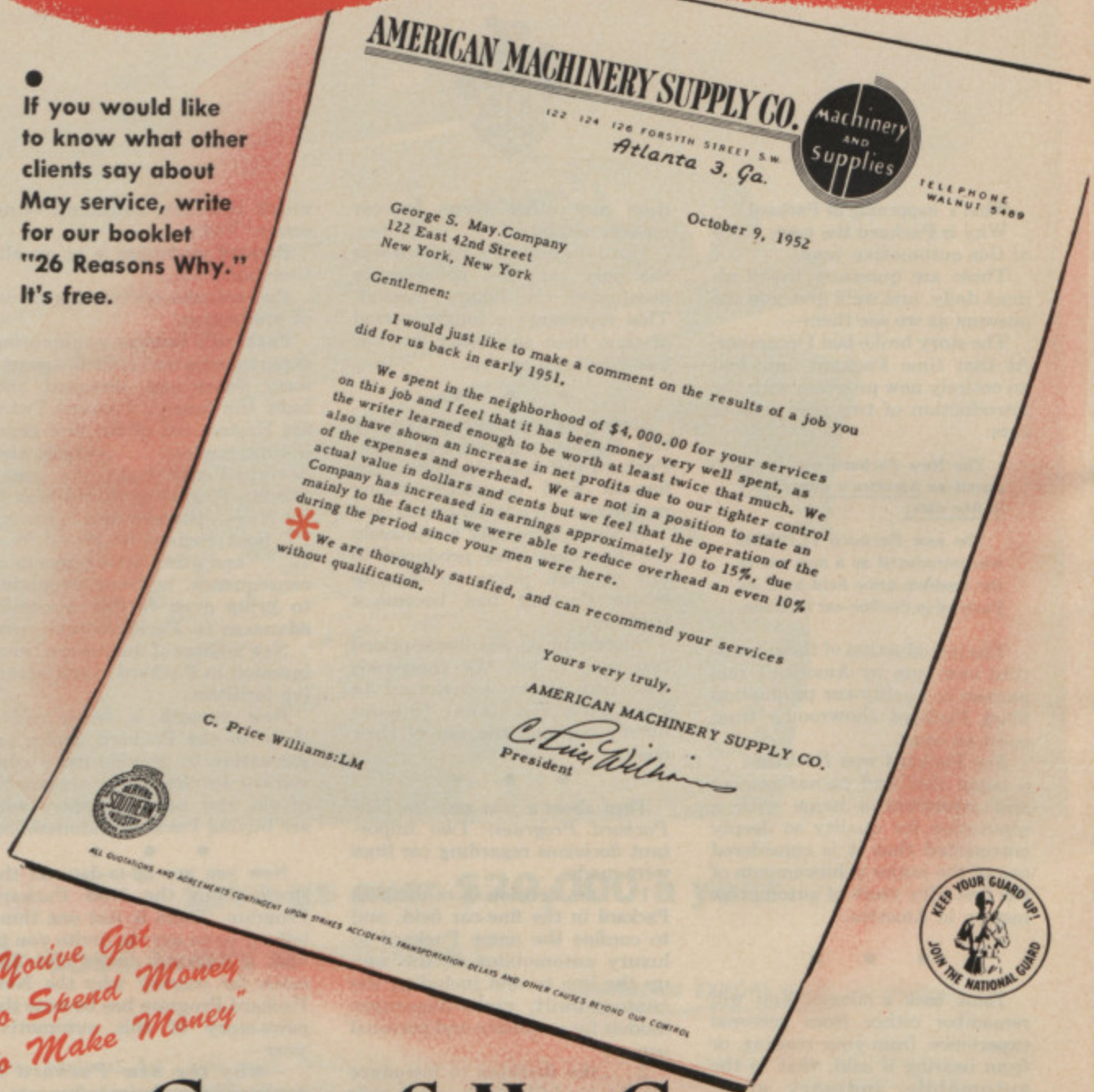
—why everybody who knows motor car values calls the new Packard CLIPPER the "buy" of the year.

Your interest in reading the story behind the New Packard Program is appreciated.

PACKARD MOTOR CAR COMPANY
Ask The Man Who Owns One

"We are thoroughly satisfied and
can recommend your services
without qualification" *

● If you would like
to know what other
clients say about
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to Make Money"*

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Editor
Alden H. Sypher

Executive Editor
Paul McCrea

Assistant Editors
W. Lee Hammer
Tom W. Davis
W. W. Owens
Ken Medley

Art Director
Ralph Patterson

Associates
Asdur Takakjian
Charles Dunn

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NATION'S BUSINESS • JUNE 1953

ABOUT THIS ISSUE



EACH YEAR this nation's farms yield an estimated 225,000,000 extra bushels of wheat as a result of growing improved varieties. Many thousands of plants are examined and tested

to develop superior kinds that will better serve the farmer, miller, baker and consumer.

The hands that help nature provide us with improved strains of wheat were painted for our cover by **BORIS ARTZYBASHEFF**.

Wheat is as old as history. Like man, it has survived many enemies. Its chief defense is its own strength to resist diseases.

From the earliest time, farmers have practiced selection, taking only the best wheat for seed. The ancient Romans did this. Their aim was to produce a better crop, to get more yield, to develop disease resistance and other desirable characteristics.

Wheat can thrive in most climates and in most soils, excluding sandy and wet peaty land. When it survives dry or wet weather, alternate freezing and thawing, hail and wind storms, it then is open to attacks by rodents, insects and fungus diseases.

Most destructive are the fungi.

There are at least 200 recognizable physiologic races of fungi which attack grain. Best protection is the development of better plants. But a superior plant does not remain superior.

New races of fungi appear from time to time which can successfully attack wheat that was able to shunt off other threatening diseases.

Pollination by hand helps develop the newer varieties of improved grain. The job is a continuous one. Experiment stations across the nation are working constantly to combat disease and to raise crop yield.

IN RUNNING down details for this cover, Charles Dunn, associate art director, made four trips to the U. S. Plant Experiment Station at Beltsville, Md., where he discussed pollination with eight different Department of Agriculture officials. The final interview was with William J. Sando, wheat-breeding expert at the station.

Mr. Sando provided more than information. The hands on the



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of Boston.



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Telephone and Telegraph
Company, New York.



DAVID A. CRAWFORD
Director and formerly Presi-
dent, Pullman, Inc., Chicago.

"The Trust You

As you used your telephone today, you probably had your mind on other things than the policy of the telephone company. But the principles that guide a business like ours directly affect your telephone service. So they are important to everyone who uses a telephone, as well as to the 1,230,000 people who share ownership of the Bell Telephone System.

We think you will be interested in a message that was sent recently to the share owners of the American Telephone and Telegraph Company by its Board of Directors.

A message from the Board of Directors of the American Telephone and Telegraph Company

"Each of us considers that he is a trustee for the savings of every individual who has put money in the business. It is our responsibility that the Company shall prosper.

"We are sure that to perform this duty, we must serve the public as well as possible. The Company is a servant of the public. The services it performs are necessary to the people of the United States. They are necessary to the building of our nation and to our



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Have Placed In Us"

national security. Clearly, we occupy a position of great public trust.

"We think it all-important therefore that we furnish the best telephone service it is in our power to provide—a service high in value and steadily improving—at a cost to the user that will always be as low as possible and at the same time keep the business in good financial health.

"The success of the business depends on the people in it. To serve well and prosper the Company must attract and keep capable employees. They must be well paid and have opportunity to advance in accordance with ability. And we must continually develop first-rate leaders for the future.

"Finally, it seems to us that it is always our duty to act for the long run. Sound financing, good earnings, reasonable and regular dividends—these are all long-term projects.

"So is our continual research to find better means for giving better telephone service. So is the building of the human organization and character on which good service depends. So is the training of leaders. In all our undertakings, the long view is essential.

"This is the way we understand the trust you have placed in us. It is a trust that deserves, and will continue to receive, the most painstaking care we can give it."



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Formerly Chairman of the Board, United States Steel Corporation, New York.



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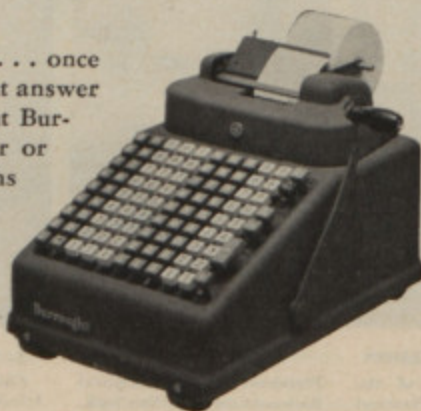
in any kind of business

In any kind of business, Burroughs adding machines save as they earn . . . produce *right* answers the *first time* . . . cost but a few pennies a day to go to work for you . . . are built to last a business lifetime. That's why, to make figuring fast and easy and low in cost, a Burroughs is your best buy.

Here are some of the many great operating advantages you will find combined only in a Burroughs—

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- B** Keys and motor bar can be depressed simultaneously for extra speed
- B** Lifetime dependability—proved by Burroughs 67-year record of service to business

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cover are his. The wheat is his also. He grew it in a flower pot.

When the potted wheat reached the age of pollination he put it in a refrigerator. Refrigeration retained the right color until photographs could be made and developed. Meanwhile, Mr. Dunn made sketches.

Then, with his sketches, an armload of photographs, and some of the wheat heads wrapped in paper, Mr. Dunn went to New York to see Boris Artzybasheff, who painted the cover.

ARTIST Boris Artzybasheff came to the United States by mistake. He thought he had been on his way to Ceylon.

His remaining here, however, has proved to be no mistake. He



is now a citizen and has become tremendously successful as a fine book illustrator, and as a magazine and advertising illustrator. He also has translated and written books which he illustrated himself.

Mr. Artzybasheff was born 54 years ago in Kharkov, Ukraine, Russia.

His father was famous as an author of plays and books.

As a child, Boris lived in St. Petersburg. He was determined to become a fireman. Soon he discarded this ambition and turned to art.

By the age of eight his work was so superior that his teachers refused to grade it.

After young Boris had been in school about three years his father stopped paying the fee, suggesting that he himself was a self-made man and that was good enough for the younger generation too. School officials recognized his talent, and kept him on a scholarship.

When the Reds began to reorganize the world, Boris was caught in the squeeze. Twice he fainted on the street for lack of food.

Nevertheless, he graduated in

1919 and enrolled in the law school at the University of Kiev.

Almost immediately he was drafted into an army that was dedicated to a project with which he had no sympathy. With other youths he was assigned to a machine gun behind the lines with orders to fire on retreating troops. "We didn't," he recalls. "We ran first."

He decided to head for Siberia, where he would join an army of men whose purpose he did admire. At the Black Sea he signed aboard a leaky tub bound for Ceylon. He hoped eventually to reach Vladivostok, then Siberia. But the ship landed him in New York.

Boris was a pitiful sight. He wore a Russian army blouse, Russian navy trousers, and worn-out boots. His only money consisted of a few cents in Turkish coin.

Immigration authorities kept him on Ellis Island for 29 days. By then a Russian priest had provided a suit of clothes that was twice his size, and a girl with whom he never spoke because he knew no English brought him a pair of shoes. An immigration official helped him get a job with an engraving firm.

He spelled his name Artzybasheff. He now thinks this was an error. It probably should be Archibashev. "The zy frightens people," he explains.

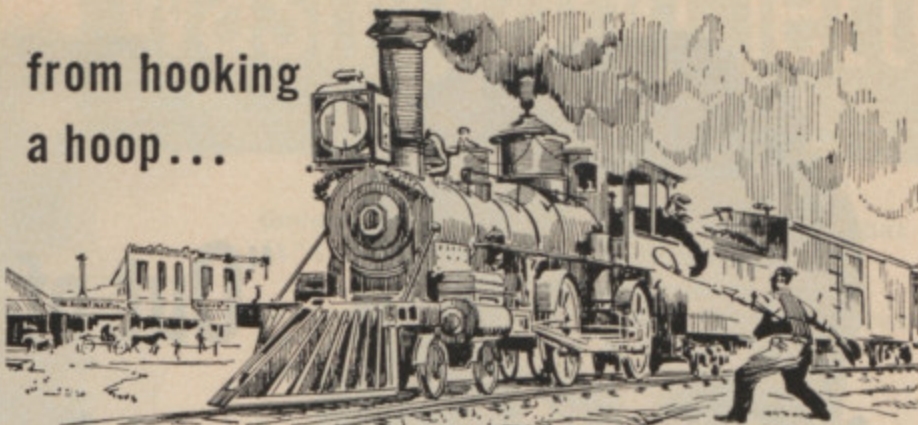
He did lettering, borders, and other odd art jobs at the engraving plant for \$15 a week. One day the head artist failed to appear and Boris got the job he was to have done that day. It was a picture of three beer bottles. The picture looked so much like three beer bottles that his superiors declared that Boris thereafter would draw all their bottles.

Soon after, the New York World bought some caricatures from young Artzybasheff. Emboldened by this sale, he marched into the front office of his firm and demanded a \$3 raise in pay. He was refused. So he quit.

Jobless and without funds, he shipped to South America, picking up extra cash from his drunken shipmates by standing watch in their place. After five months he returned to New York, enriched by \$100. In the days that followed he lived mostly on rice while struggling for success in the world of art. His success came gradually.

Mr. Artzybasheff became a citizen in 1926. His fame has grown through the years. And although he might have come to the United States by mistake in the first place, nobody is sorry he did, least of all Mr. Artzybasheff.

from hooking
a hoop...



MO-PAC

...to train orders
160 miles away!



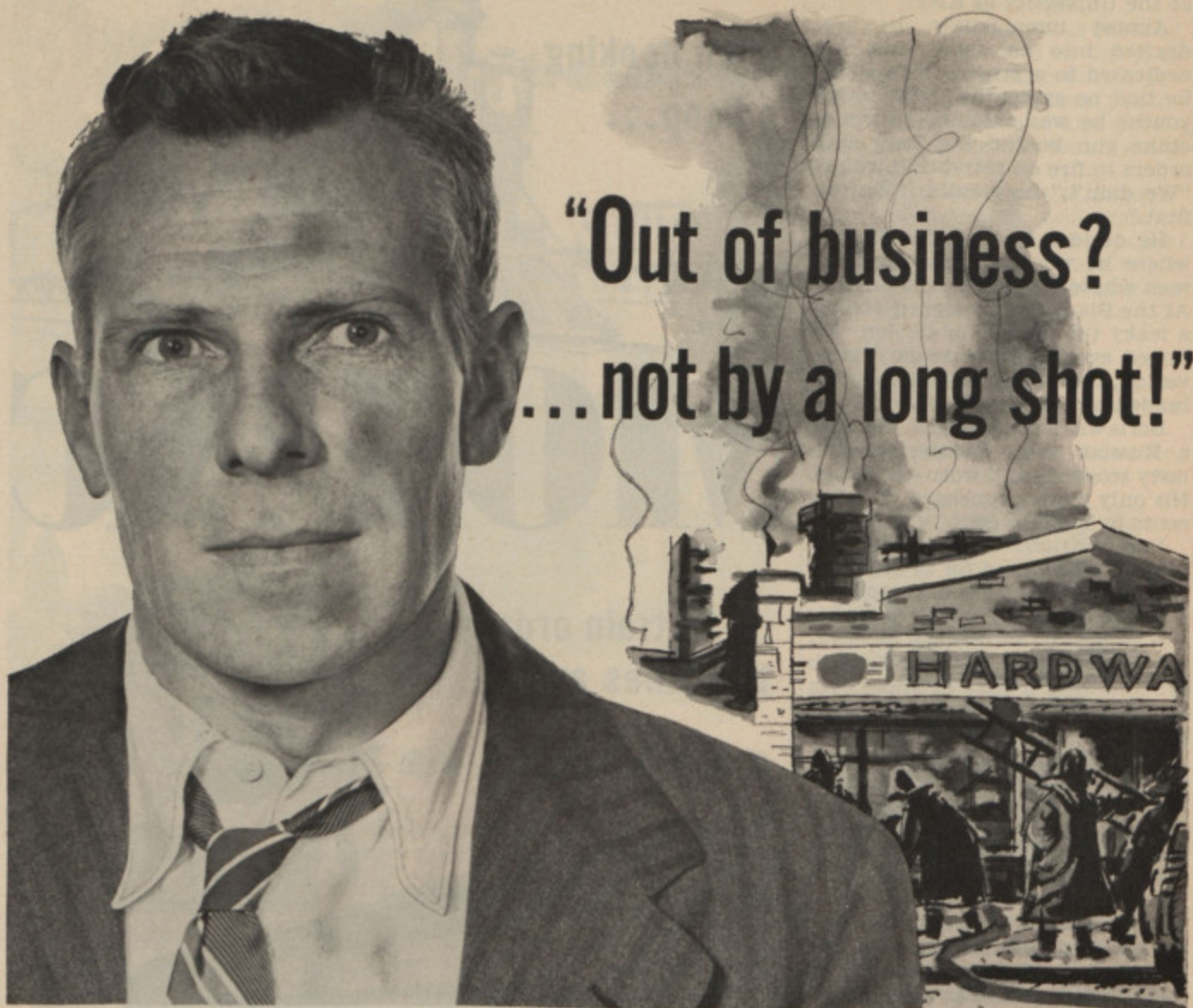
BACK WHEN the West-Southwest was young, a simple long-handled hoop was used to save time in delivering train orders to the engineer of a moving train.

TODAY, MO-PAC is proud of its century of service . . . of pioneering railroad improvements . . . among them far-sighted "firsts" like Centralized Traffic Control, whereby one operator may "watch" and control the movement of trains many miles away . . . thus expediting freight and passengers along its 10,000-mile system.



MODERN • PROGRESSIVE

ROUTE OF THE EAGLES



Could you say this, if fire or some other disaster destroyed your business tonight?

Sure, adequate fire insurance would pay for damaged property, but rebuilding a flame-gutted factory, store or office takes time. With earnings gone, how would you pay salaries and fixed obligations? What about the many extra expenses of getting back into operation?

North America's Business Interruption insurance bridges this difficult period.* It pays you *what you would have earned* had no fire or other insured disaster

occurred... you're paid for the length of time required to replace damaged property. And that's not all. Those expenses which must continue while your business is suspended are paid. Rent, taxes, interest on indebtedness—you can meet these payments on time.

Your North America Agent will be happy to describe in detail a Business Interruption policy adapted to your needs. Give him a call today. There's no obligation; and his advice may one day help you tell the world that you're still in business—despite a serious fire.

*A substantial percentage of concerns suffering serious fire damage never reopen.

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► IS MONEY too tight? Possibility puzzles Washington.

If it's too tight, that fact could precipitate business turndown.

If it's too loose, it could help build boom on top of boom.

But when is it too tight, or too loose?

Loan volume never has been higher—and there's strong demand for more loans.

Production, employment, sales never have been higher at this season—and there are few signs of a turn.

In any economy, at any level, there always are counter- and crosscurrents.

But some of these cause worried head-scratching at Federal Reserve Board.

Example: Loan company operating 26 offices in the Southwest went into receivership last month.

Why? Banks declined to lend it sufficient funds on its accounts receivable. That's tight money.

Another: Southern Bell rejected bids on a proposed \$30,000,000 issue of debentures. Interest rates bid would have been highest accepted by a Bell System company in nearly 20 years. That's tight money.

How's this money tightness translated into structures, jobs, payrolls, sales?

Southern Bell planned to repay American Telephone money advanced for expansion. So that job's already done.

But American Telephone has big backlog of expansion projects. It's likely some job awaits that \$30,000,000.

What's happening?

Federal Reserve raised the rediscount rate. That's rate at which banks can borrow on their government bond holdings—which they do to get money to cover loans they make to business. That rediscount rate's the pace setter.

Rates followed up all along the line—from Veterans Administration housing loans to prime corporate paper.

Increase hasn't stopped many loans in this record-high, booming economy. But it has slowed down a few.

That's effect of "tightening" money. Federal Reserve's concern as to whether it's now too tight was disclosed when Chairman Martin told Boston bankers there would be "liberal easing of monetary policies" when inflationary dangers "no longer threaten the economy."

Chairman Martin offers assurance that

Government is aware of its problem, that it's ready to act if necessary.

But there's no charted course for action. Equally qualified experts differ in theory as well as practice on the "when" and "how much."

► FALL SESSION of Congress—following adjournment Aug. 1.

There's talk of that. Why? Takes months for new Administration to get rolling. That's to be expected.

Budget lays out pattern for policies. Takes up to a year to prepare that—for the year following.

Eisenhower Administration moved in Jan. 20, started tremendous job of reshaping Truman-prepared budget.

Rosy dream early in this session: Appropriation bills would be through House by May 15. They missed by a mile.

Dreamers assumed new Administration could do a year's job in four months. It couldn't.

► KEY TO ADJOURNMENT—appropriations bills.

These were held up while executive branch combed through defense, foreign aid, other figures in inherited budget.

Delay was worth it. Combed out: \$8,-500,000,000.

► QUESTION IS NOT whether to cut taxes—but when.

And political pressure on the "when" increases day by day.

Talk to enough of the boys on the Hill and you can get nearly any tax cut theory you want.

But some leaders talk this way:

Why not wait until next January session to cut? After all, '54 is a political year and cuts made now might be forgotten by a year from next November.

So why not wait, get a double punch—one when Congress takes the action, the other when cuts become effective—both in an election year?

Holders of this view are talking about a second cut—following expiration of the 10 per cent Korea increase, scheduled now for Dec. 31.

What about excess profits tax on corporations? There's far less talk about that. Corporations do not vote—a point not overlooked in political thinking.

There's just as much pressure coming

from the other side of the fence—the side that contends taxes can and should be cut now.

And those who point out: If there's any merit in the argument that we need tax cuts to free capital for investment, they should be made immediately.

Attitudes among members of Congress will fluctuate in next month or so.

Swings will seem to indicate "yes" today, "no" tomorrow—will make careful analysis difficult, if at all possible.

► TOTAL INVENTORY figures bounce along at record high level—and bring outlook doubt to some business analysts.

High inventories overhang markets, can cause cutbacks, they point out.

But don't look at inventory figures alone. When you look at these, look also at sales.

Total inventories (seasonally adjusted) now stand at about \$75,000,000,-000. Current annual rate of sales is more than \$49,000,000,000. Note that relationship.

At close of last year total inventories were less than one per cent under today's level. Sales were \$45,556,000,-000.

In 1939 inventories were \$20,051,000,-000. Sales were \$10,802,000,000.

So today's inventories are not high, when compared with sales.

Sharp drop in sales would cut call on inventories. Stocks held on credit would be dumped to satisfy loans.

On the other hand, rise in sales would find present inventories insufficient to meet requirements.

Which points up this fact: Consumer is the key man.

► AMPLE INVENTORIES hold down prices.

Take department stores for example: Sheet manufacturer issues notice of new—higher—price schedule, waits for rush of buyers getting in ahead of rise.

But no rush develops. So price doesn't go up.

"Not only do we have comfortable stocks on hand—we can get more any time we need them—and get them promptly," reports one retail executive.

► AUTOMOBILE MARKET has some hidden strength.

It's hidden behind worry over used cars—often called key to new car sales.

What's the trouble with used cars? There are more of them than market will absorb.

But that glut may be curing itself rapidly. Here's what's happening:

Oversupply of used cars sends prices tumbling seriously—for first time since World War II.

When prices fall, hardest hit autos are oldest, least attractive to buyers.

That means prewar cars. These are going to junk yards at greatest rate ever—pushed by price pressure.

Reports one dealer: "Unless it's a plum (trade term for unusually good car) any prewar car that comes on this lot comes at a price that lets us sell it to the junk yard for \$30.

"In the case of a plum we may go \$75 or even \$100—but if it's still here in 30 days that one goes to the junk yard, too. Space is worth more than the car."

How important is this drop in value, this accelerated move to scrap heaps?

It means one third of the cars on U. S. highways today are close to junk in value.

Figures show total registrations last year were 39,673,000. Of these, 13,446,-000 were built before the war.

If acceleration of these to scrap heap continues, oversupply of used cars will disappear suddenly.

Presence of 13,000,000 automobiles 12 years old or older on the highways indicates a tremendous market still lies ahead for auto manufacturers.

Note: Another depressant on used car prices—in many sections finance companies will take paper on no cars built before '48. Some are moving up to '49.

If they can't finance them dealers don't want them. So they offer less.

► BATTLE BREWS over \$800,000,000 in gasoline taxes.

It started with President Eisenhower's projected study of federal functions that may be turned over to states, other local bodies.

Prompt suggestion from a group of governors: Kill federal gasoline tax (2 cents per gallon). Do away with federal aid program. Let states collect the tax, build their own roads.

Governors point out Washington collects \$800,000,000, returns for highways only \$550,000,000.

If states handled it, they contend,

washington letter

they'd get more highway for the money.

But there's opposition to that view—strong opposition. On this side are many of the better-roads groups—auto makers, oil companies, highway builders, others.

And they all want same objectives the governors stress: More and better roads for dollars spent.

But latter group says way to do that is save federal program to plan, coordinate between states, set uniform standards for interstate highway system.

Also on this side of the fence: Cities at the mercy of rural-dominated state legislatures in state-controlled matters. Some of these would rather deal with Washington.

► **CANADIAN OATS** pouring across U. S. border illustrate Administration's problem of handling conflicting policies.

White House group wants to build up foreign trade. It's also charged with administering farm price support program set up in law.

Last month flow of Canadian oats into this country indicated a season total of 75,000,000 bushels.

At same time domestic oats were selling for as little as 60 cents a bushel in upper middlewestern oats-growing area. Support price was 75.

So imported oats were adding to volume potential under the support program.

And causing bitter complaints on some U. S. farms—complaints that echoed through Congress to Department of Agriculture, and on through to White House.

Agriculture Department officials conferred with official Canadian representatives, tried to slow the flow—in hope of avoiding an embargo that clashes with U. S. foreign trade policy.

How did farmers feel? Oats growers demanded embargo. Poultry, dairy farmers demanded the oats.

► **EXECUTIVE BRANCH** asks less foreign aid money—but may spend more—than Truman Administration did.

President Eisenhower asked Congress to authorize \$5,828,000,000 for foreign aid during upcoming fiscal year. That's about \$1,800,000,000 less than figure in Truman-prepared budget.

But it's more than is being spent in current fiscal year. Expenditures so far indicate a total of about \$5,250,000,000 by June 30.

There's carryover in foreign aid funds expected to be about \$10,000,000,000 at start of new fiscal year.

That's money previously appropriated, but not spent. Some of it is obligated through contracts not yet completed.

Treasury Secretary Humphrey indicates plans to reduce the carryover—which indicates expenditures above the \$5,828,000,000 figure asked.

Average expenditure for foreign aid from '46 through '52 was \$4,700,000,000.

► **PROSPERITY SPREADS** across nation in forms that may not show up in sensitive statistics.

Spreads, for example, through thousands of small businesses that line major highways.

Early as April on southern routes, and May on many northern routes travelers without reservations began having trouble finding shelter.

Despite great volume of new construction, motels and hotels operated this spring at summer pace.

Also in on the roadside prosperity—service stations, restaurants, repair stations.

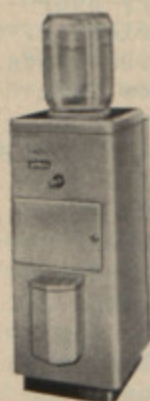
► **BRIEFS:** National Industrial Conference Board finds more than half U. S. families have net worth of \$7,500 or more. A sixth, \$30,000 or more. Total consumers' holdings: \$800,000,000,000, up more than 50 per cent since war. Offsetting debts: \$100,000,000,000. . . . Great Britain has bought 1,000,000 tons of sugar from Cuba for delivery over next two years. This year's price: 2.75 cents a pound. Next year's: 3.08 cents. . . . National City Bank of New York compilation of earnings of 600 leading corporations shows 10 per cent rise in first quarter of '53 over '52. . . . Heaviest demand for steel is in sheets, plates, tubular products and bars. Delivery delay on some tubular products ordered now is four to six months. . . . U. S. total generating power at end of March: 82,280,000 kilowatts. That's 45 per cent of entire world's generating capacity. . . . President Eisenhower gathers strong supporters among hat, golf equipment makers. He's causing boom in both lines. . . . Let's get out the posse. Arizona reports new outbreak of rustling. Not cattle—buffalo from Fort Huachuca. Yearlings are missing.

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Customers, employees, visitors alike, welcome cool, clear drinking water. Here is water service at its best with a Frigidaire Water Cooler. Automatic regulator compensates instantly for all pressure changes. Stream always constant, no squirt or spurt. New instantaneous "flash cooling" lowers operating costs as much as 30%. New all-electric toe-tip control. New splash-proof porcelain top. New convenient low drinking height. Powered by quiet, dependable Meter-Miser warranted for 5 years. Capacities 6, 12, 18 gallons per hour.

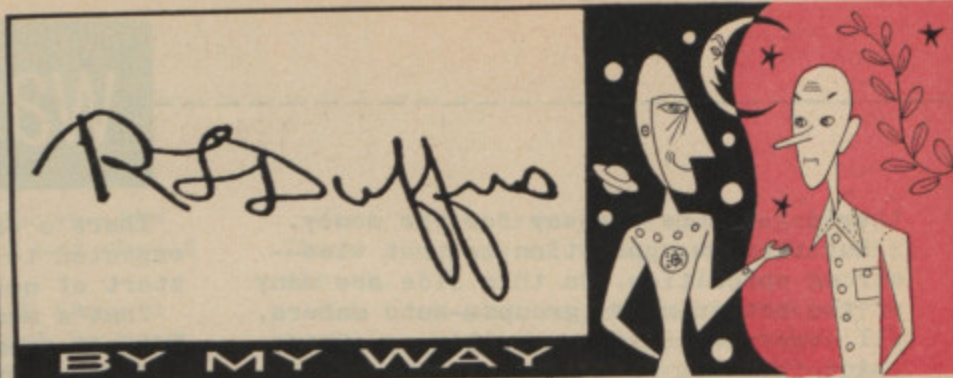


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Water Coolers

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The most complete line of air conditioning and
refrigerating products in the industry



Around the moon, my eye!

WHEN I was very young we used to sing a song which ran substantially as follows:

*Up in a balloon, boys,
Up in a balloon,
All among the jolly stars
A-sailing round the moon*

Nobody took this seriously. Nobody proposed to sail round the moon. It would have been downright silly to try. But now sailing round the moon, though not yet actually achieved, is too simple to arouse more than polite yawns among the younger fry and the writers of so-called science fiction. Sail round the moon, my aunt! If you can't sail round Mars you haven't even started. Well, I guess I'm old fashioned. A trip around the moon would satisfy my lust for thrills—and even at that I'd like to have a guaranteed round-trip ticket, with assurance that my money would be returned if I didn't get back.

The first green peas

JUNE is the month when we who lived in Vermont used to pick our first green peas. I presume this is still done, and I presume people still take pride in doing it, even though it is now possible to have green peas in any month of the year. However, I think it is lucky that June has a number of things that can't be duplicated in December—those first really lazy days, for example, when it's fun just to be alive, without even trying to work. And, of course, it is lucky that this feeling doesn't last too long or affect too many persons.

Gardening, boy style

WE BOYS used to do a bit of gardening. In my case, this experiment started off with enthusiasm. I seem to recall planting onions, potatoes, corn, string beans and radishes. In fact, if I had planted a few codfish, haddock or clams I would have had the makings of a

good chowder right there. But, if the family had had to live on what I grew, the end would have been starvation—and not slow starvation, either. The potatoes customarily rotted in the ground, the corn put out feeble stalks and turned yellow, and it was my practice to eat the green onion shoots as soon as they appeared. And a family can't live on radishes, which grew faster than I could eat them. But I think gardening was good for my character. (My friends may



question this statement, on the ground that nothing that happened to me could have been good for my character.) Gardening teaches boys that you have to work hard and faithfully if you want to achieve worth-while results. I think it taught me that. If swimming, fishing and just lying around hadn't been more fun I hate to think what a lofty character I would have today.

Lawns and so forth

I SEE where the Connecticut State Highway Department has got hold of a chemical answering to the name of maleic hydrazide which, when sprayed on grass, will retard growth to a point where one mowing will suffice for a whole season, instead of 16. As an amateur grass harvester I am interested by this news. The more ingenious member of our family gives much attention to making grass or other coverage grow on what we call our lawn; I, on the other hand, operate the lawn mower to keep this coverage from overdoing its efforts. We agree that thickness is better than height. Or perhaps I should say density—in grass, I mean, rather than in myself. Of course our lawn does not consist entirely of grass.

It consists of some grass, some Bermuda grass (which is not grass, except in Bermuda), some moss, and some other vegetation, including a sort of leafy plant that runs along the ground until it gets tuckered out but which I don't know the name of without asking my wife, who has already told me many times already, and is tired of the whole subject. Besides, she wants to read. Anyhow, I wish our lawn were all grass and that I could apply that chemical to it when it was one inch tall, and then go inside and take a nap. Summer afternoons, let me tell you, are fine for napping.

Where's Uncle Tom?

READING an account of today's biggest show on earth, which is apparently worth all the adjectives assembled in its honor, I still wondered if this gigantic, world-shaking, epoch-making, death-defying aggregation of unparalleled talents, heretofore undreamed-of freaks, animals collected at unbelievable expense in money, blood and sweat from all parts of the earth, in short, all the beauty, dazzle, glamour and thrill of the sawdust and tanbark ring at its superlative best could mean as much to anybody today as the old Uncle Tom shows—I still wondered, let me repeat, if a boy could get as excited over any circus today as we used to be over the Uncle



Tom shows. I know I could sit down on a hard plank in a hot tent and see Uncle Tom, Little Eva, the bloodhounds, Simon Legree and the rest of the cast, right now, and love it. And I'd spend an extra ten cents and stay for the "concert." But I've nothing against the circus. I guess all I am against, sometimes, is being grown up.

The old lamplighter

A PICTURE of a lamplighter in a recent advertisement caught my eye. The man in the picture was lighting gas lamps, one of a series in a city street. But I can remember, pulling my long, white beard and cackling a little, a Vermont village where there wasn't any gas but where the village fathers had installed kerosene lamps on two or three main streets. A man went

HOW THEY "Call the Signals" ON AMERICA'S RAILROADS



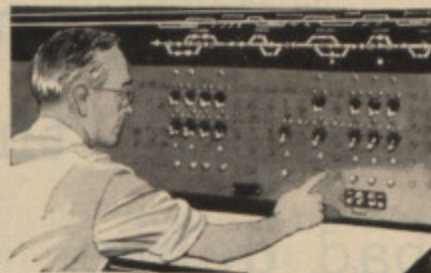
Railroad signals have come a long way from the time when a colored ball hoisted to the top of a pole signaled that the track ahead was clear. Today, trains run more than 2,000,000 miles every day on American railroads, under the world's most complete, most effective and safest system of traffic control.



Basic in this traffic control is the automatic block signal system by means of which a train in a "block" or section of track reports its presence to all approaching trains. This is done automatically through electrical operation of signals which tells the engineers of other trains whether to stop, to proceed with caution, or to go ahead.



The way trains are directed through great terminals is another modern marvel. Lights on a map tell the operator the position of every train. Through his control board he lines up signals and switches which are so "interlocked" as to make it impossible to set up conflicting routes as trains are guided automatically through the maze of terminal tracks.



On sections of line equipped with Centralized Traffic Control, all trains automatically report their exact positions and movements through lights on a map on a central control board. By moving little levers on this board an operator can set signals and throw switches that govern the movement of trains as far away as 200 miles.



On some lines of exceptionally heavy traffic, signals inside the locomotive cab, itself, provide the engineer and fireman with constant information about changing traffic conditions ahead. And, supplementing all these means of automatic signaling is the radio or induction train telephone by which conversations are carried on between trains and stations, and between train and train.

The great improvements in "calling the signals" on America's railroads are typical of the progress from research which benefits not just the railroads, themselves, but all of us in a nation whose production rolls on rails of steel.

ASSOCIATION OF AMERICAN RAILROADS

WASHINGTON 6, D. C.



You'll enjoy THE RAILROAD HOUR every Monday evening on NBC.

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In the last 10 or 12 years, there have been relatively few insolvencies. Bad debt losses have been unusually low. This has resulted in a dangerous reaction. An alarming degree of complacency is building up in the minds of many executives.

Secondary credit costs are frequently more damaging than bad debts

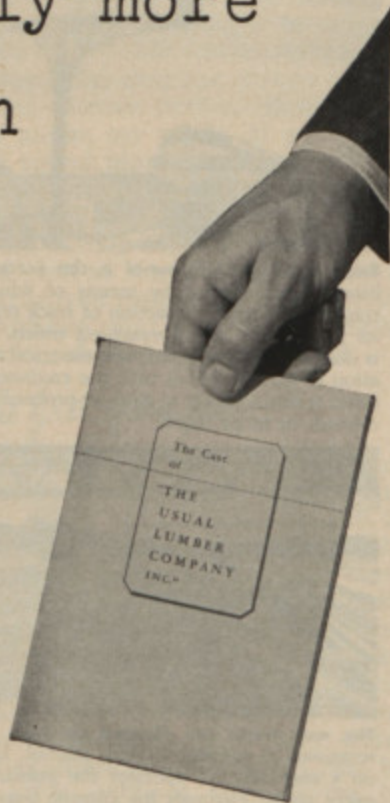
A NEW BOOK, just off the press, demonstrates how AMERICAN CREDIT INSURANCE can serve a business even though it never has had debt losses. It tells why Credit Insurance is an integral part of sound business management—how Credit Insurance is a stabilizing means for establishing sound credit policy—how Credit Insurance helps avoid secondary credit costs.

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around every now and then cleaning and filling the lamps and trimming the wicks, and every night, at sundown, he went around and lighted them. One day gangs of men appeared stringing power lines from the new dam and generating plant at Bolton Falls, and the night came when somebody turned a switch and the whole village lit up at once. You could go up on the hill by the Split Rock and see this happen; and it was a miracle we never tired of. It is still a miracle, though we don't give much thought to it these days.

Paper clip trouble

I AM ONE of those unfortunates who have trouble with cellophane, zippers, can openers and things like that. Just now I am having a feud with a bowl of paper clips that stands on my desk. Every morning, when I come to my office, I find that some brownie—or some Thing, I don't know what, and perhaps don't even care or dare to



know—has strung these into a sort of daisy chain. By the time I have disentangled them and am ready to take up my day's work it is time to go to lunch.

I clear my desk

PREPARING to go off on vacation, I answered all my unanswered letters. Or practically all of them. Some of them I had allowed to go so long that I was reasonably sure their authors had long since passed to their rewards, leaving behind children, grandchildren and even great-grandchildren who weren't expecting, or even wishing, a letter from me. I try not to let matters reach this state, for I suppose there is no one who gets more pleasure out of letters (the friendly, chatty sort, especially) than I do. I also threw away some files of magazines, newspapers and miscellaneous material. My desk looked clean as a whistle. Anyone looking at it would have assumed I am the most orderly of men—which, once or twice each year, I am. But I know what will happen while I am away. Mail that can wait my return will wait. When next I sit down in my swivel chair my desk will resemble a section of the Central Post Office.

Still time to get General Electric's amazing new

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FOR BUSINESS AND INDUSTRY

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gives you these three
tremendous advantages:

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SEALED-IN-STEEL
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G. E. seals in savings, seals out trouble. Only G. E. seals-in-steel, tight as a light bulb, all three vital cooling system parts—motor, compressor and condenser (shown in inset picture)—not just motor and compressor as in other makes.

**2. "MONEY-IN-THE-BANK"
WARRANTY!**

These units are so risk-free, you get an unprecedented warranty. G. E. actually puts money in the bank to replace the entire all-in-one cooling system at no cost to you, if service is needed at any time during full 5-year warranty period.

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They look as good as they make you feel! From the unique vertical air inlets...to the two-toned, silver-gray finish...the distinctive, compact G-E cabinet graces every interior and lends an air of crisp, modern efficiency.



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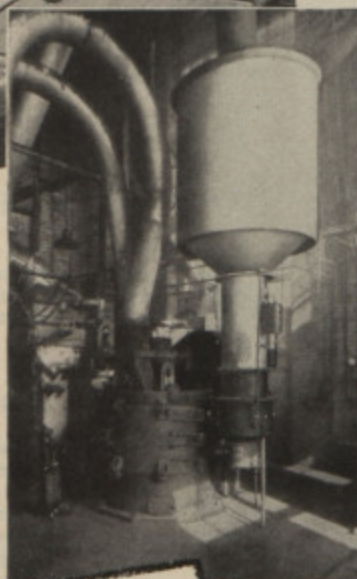
"How we save \$20,000 a year— USING COAL INSTEAD OF OIL"



Louis G. Nolte,
Chief Power Engineer,
Little Falls Laundry,
Little Falls, N. J.

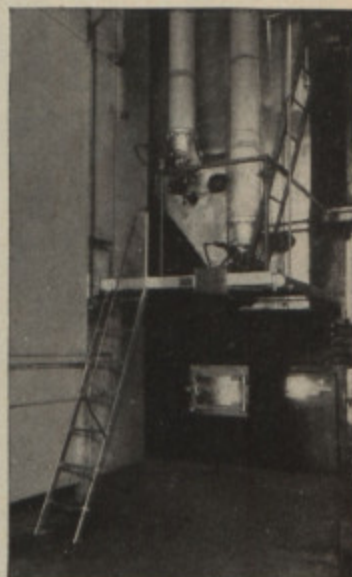


To this plant in Little Falls 500 employees come to take care of the laundry for an estimated 100,000 people. And from this plant 100 trucks travel to customers across a 5,000 square-mile area! The laundry depends on coal to provide all electric power and lights—heat for all buildings—steam for hydraulically-operated machines—steam for pressers and dryers.



◀ The pulverizer from which coal is blown into the boiler. Before this operation, the laundry employs a conveyor belt to feed a precrusher. From there, conveyors carry the coal to the 100-ton hopper which feeds the pulverizer. *Modern coal devices slash labor costs—make coal's basic economy even greater.*

A section of the modern coal-fired boiler. With ▶ equipment like this it's possible to add 10% to 40% to the power derived from the same amount of coal in years past—to bring over-all boiler efficiency to 85% or more.



If you're running your own steam plant, here are a few down-to-earth facts you don't want to miss!

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COAL resources in America are adequate for all needs—for hundreds of years to come.

COAL production in the U. S. A. is highly mechanized and by far the most efficient in the world.

COAL prices will therefore remain the most stable of all fuels.

COAL is the safest fuel to store and use.


COAL is the fuel that American industry can count on more and more—for with modern combustion-and-handling equipment, the inherent advantages of well-prepared coal net even bigger savings.

● Plants that use coal are in an enviable position—at the present and for the future. *For they are more certain than the users of other fuels of a dependable fuel supply—at stable prices.* The reasons are compelling. Of America's total fuel reserves, 92% is coal: Even today, oil is *imported* while this country can and does *export* coal. In addition—this country's mines are the most highly mechanized and efficient in the world.

To get *all* the great economy that coal is capable of delivering—to find out how much more efficient and dependable a job coal and the very latest coal-fired equipment can do—call in a competent consulting engineer. He'll recommend the right equipment for your specific needs. Then you'll see exactly why coal *on a performance basis, on a dollars-and-cents basis . . .* is your best fuel buy, by far!

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YOU CAN COUNT ON COAL!

BY FELIX MORLEY



OF NATION'S BUSINESS Trends

THE STATE OF THE NATION

LIKE individuals, nations hostile to each other are often fundamentally similar. Indeed political similarity is as likely to breed enmity as friendship. Thus the English and the Germans are in many respects akin. So are the Japanese and Chinese. But in both cases there has been bitter war between them.

It could be argued that we are now beginning to hate Russians, rather than the Soviet Government, in part because our own political philosophy has of late years become strongly imitative of Communism. At first glance this assertion may seem far-fetched. Nevertheless, it can be supported by a large body of striking evidence.

There is no mystery about the way the Communists, although a mere handful of resolute and determined men, were able to seize power in Russia in 1917. There the theory of government was to concentrate power at the center. Every aspect of Russian life—religious, educational, social, economic and financial—has long been controlled from that nation's capital. The towns and villages were never allowed to tax themselves for their own local improvements. Taxes were always levied by the central Government, collected by internal revenue agents responsible to that central Government. Then part of the money taken from the localities was dribbled back to the localities—for projects approved by the bureaucracy.

The first world war increased this centralization of power, as war does always, everywhere. But it also increased the corruption and inefficiency of the Russian bureaucracy to such a degree that, by 1917, the people as a whole felt that any change must be for the better. At that stage the Communists, well organized in the capital—then Petrograd—took over. A few thousand soldiers, sailors and workmen did the job in a single night because the czarist regime was rotten and ready to fall. The provinces and municipalities had no tradition of local self-government around which they could rally. So when the Bolsheviks took Petrograd, all Russia fell into their lap.

Karl Marx, more than a century ago, had preached that a steady increase in the power and cost of centralized government is the way to establish Communism. "The first step in the revolution," he wrote in the famous Communist Manifesto of 1848, is "to centralize all instruments of production in the hands of the State." After that, he argued, the central government should impose "a heavy progressive or graduated income tax," designed to draw money, and the power that goes with it, into the hands of the bureaucracy. Only after power has been centralized can Communism take over.

The easy triumph of Communism in Russia, in 1917, seemed to prove the validity of Marxist

theory. Since then the Communist International has consistently worked to advance a centralized concentra-

tion of power in every non-Communist country. Whatever the other variations in the party line, this has been a constant. No wonder, for the argument that power must be centralized before Communism can capture it is incontestable.

Moreover, when almost unlimited power vests in the hands of government officials, subversive agents, if they can worm their way into good appointments, are able to do far more for Communism than is possible when official power is severely limited. That is why Communists flocked to Washington during the Roosevelt and Truman regimes. The enormous concentration of power in the federal Government made it worth while to infiltrate key agencies.



The United Nations, as recent disclosures have amply demonstrated, has also been a target of Communist infiltration. This is really a back-handed compliment to U.N., for unless the world organization were regarded as at least potentially powerful, the Kremlin would not have wasted time in trying to feed its disciples—of many nationalities—into its secretariat. The Reds are too clever to place their agents where they have no scope.

But through the United Nations, exploiting the humanitarian instincts of people who yearn for a better world, there is enormous scope for Communist accomplishment. This was especially the case in the suggested "Covenants on Human Rights," which the Soviet representatives have worked hard to forward. Mr. Vishinsky might rail and vituperate against the United States on the floor of the Assembly, but in the U.N. Commission on Human Rights the Communist representatives were always most cooperative. Dr. Charles Malik, the Lebanese chairman of this commission, pays tribute to the Communist influence by saying: "I think a study of our proceedings will reveal that the amendments we adopted . . . responded for the most part more to Soviet than to western promptings."

What Dr. Malik means is seen by comparing the U.N. draft of Covenants on Human Rights, now disowned by the United States, with the comparable part of the Soviet Constitution.

Article 118 of the present Russian Constitution proclaims that "Citizens of the U.S.S.R. have the right to work, that is, the right to guaranteed employment and payment for their work in accordance with its quantity and quality."

Having thus laid down the principle that government owes everyone a living, the subsequent articles of the Soviet Constitution proceed to

build up the structure of state-provided rights. These include the right to paid vacations, the right to old-age and disability insurance, the right to education, the right of unmarried mothers to "state protection" and so forth.

The catch is that all these so-called "rights" are wholly provisional. As they are granted by the state so, at any moment, they may be canceled by the state. The clever, but unscrupulous, technique of Communism is to enlarge governmental power by placing both the provision and the denial of rights in the hands of bureaucrats. Of course this is the absolute opposite of the American theory, which holds that all men "are endowed by their Creator with certain unalienable rights" of which they cannot be deprived by government. Under our Constitution these rights, including that of holding property, are inherent. As they are not granted by the Government, so they cannot be canceled by the Government.

In preparing its "Covenant on Economic, Social and Cultural Rights," however, the U.N. followed not American but Communist theory. If this draft treaty were ratified by the United States this country, like Soviet Russia, would establish the "right" of everybody to a government job, the right of everyone to paid vacations at government expense, "the right of everyone to social security," "the right of everyone to adequate food, clothing and housing," to "continuous improvement of living conditions," to free rides of every conceivable character, from medical care to college education. Obviously, as Dr. Malik says, this proposed treaty was Communist inspired, part of the evidence being that, like the parts of the Soviet Constitution which it copies, the right to own property is significantly omitted.



The Eisenhower Administration has now happily informed U.N. that it will not sign this and similar communistic treaties. But the fact that former President Truman innocently endorsed them has greatly stimulated the movement for a constitutional amendment to make absolutely sure that no treaties shall henceforth encourage any American President to think that he can either grant rights to, or withhold them from, the American people. A declaration to that effect was adopted unanimously by the annual meeting of the U. S. Chamber of Commerce on April 30, 1952, and has helped to strengthen the case for the pending Bricker Amendment.

The major purpose of that amendment is simple. It seeks to check that enormous concentration of power in the executive which Karl Marx called the indispensable preliminary to the triumph of Communism. And if Communism, rather than Russia, is our enemy, then this counterstroke against the most subtle and insidious of all the Communist techniques is overdue.



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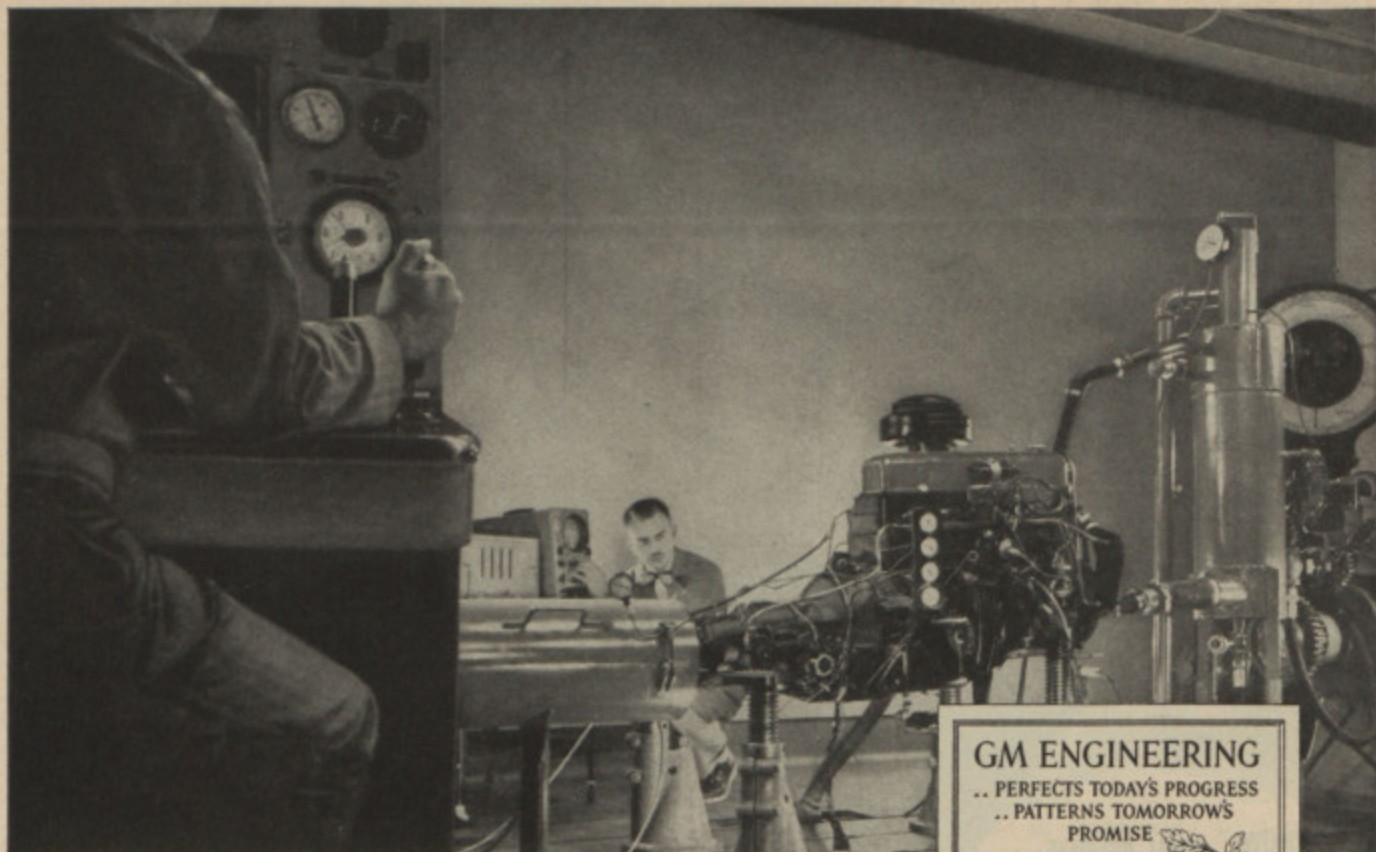
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We built our own Pikes Peaks *to engineer better car transmissions*

THEY'RE called—in engineering language—"electronically variable dynamometers." And —when this picture was taken—a transmission was being given the works under precisely the same conditions it would meet on a Pikes Peak climb, including every single hairpin turn and road grade.

What's more, the performance of the transmission is recorded even more exactly than it could ever be on an actual trip up the mountain.

Result: more knowledge added to the fund of information about automatic transmissions which our engineers have been uncovering since back in 1927. And a continuous improvement in the per-

formance of General Motors famous automatic transmissions—Powerglide in Chevrolet; Hydramatic in Pontiac, Oldsmobile and Cadillac; Twin-Turbine Dynaflo in Buick. Not to mention GM's automatic Army truck and tank transmissions now proving their worth in Korea.

Here, then, is a typical example of the way GM engineers make use of every available material, every practical method—even develop new materials and new methods—to build better, more economical products for you. In fact, it is this continuous engineering ingenuity and resourcefulness which make the key to a General Motors car—your key to greater value.

GENERAL MOTORS



"Your Key to Greater Value—the Key to a General Motors Car"



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WASHINGTON MOOD

BY EDWARD T. FOLLIARD

THE chummy relationship between President Eisenhower and members of Congress still continues. Brimming over with good will, Ike feeds the lawmakers, confers with them, avoids quarrels with them, and, on occasions, even defers to them.

In a city that over the years has rung to the cries of "dictator" and "rubber stamp," all this is refreshing and, to many, inspiring.

Just the same, some of Ike's admirers are skeptical. When, they ask, will he realize that a Chief Executive must assert his leadership in Congress or find himself being led by Congress?

These friendly critics point out that in several instances, notably in the fight over the Bohlen nomination, Ike has received more support from the Democrats than from members of his own party. They feel that he has been too easy-going in his dealings with Sen. Joe McCarthy and certain other Republicans.

The *Washington Post*, which supported Ike in the 1952 campaign and still is strong for him, recently had this to say:

"The President seems unwilling to grapple with the problem of the 'willful men' among the Republicans. In consequence, his leadership seems spasmodic. Mr. Eisenhower's attitude seems to be due to two considerations. One is his feeling that his role toward Congress is merely to suggest; another is his sense of overriding duty, which, in his view, is to foster and nurse Republican unity. However, neither consideration is, it seems to us, valid.

"To suggest is not enough. To get consideration for his program, the President will have to assert himself in Congress or face the prospect of congressional government. To be sure, there will be strife, but all administrations with positive policies which they wish to prevail have had to struggle against Congress. . . ."

It has been a long time since anybody has accused a Chief Executive of lacking forcefulness. The complaint against Franklin D. Roosevelt was that he was too forceful, too greedy for power, too eager to dominate the legislative and judicial branches as well as the executive branch. Harry S. Truman was accused of being too small for his

job, but nobody ever accused him of avoiding a fight. He got along reasonably well with the lawmakers for a while, but the time came, after the Republicans won control in 1946, when he was denouncing the Eightieth Congress as a "do-nothing, good-for-nothing" body. Some of his combativeness remained even after the Democrats won back control in '48. From time to time, he aimed such epithets as "asinine" at Capitol Hill.

General Eisenhower observed all this from afar, and wondered about it. He told associates long before his election that he regarded strife between the White House and Congress as a bad thing. He said he thought he could get along with Congress, and since Jan. 20 he has been working hard to prove his point. Like St. Francis de Sales, he believes that "You can catch more flies with a spoonful of sugar than you can with a hundred barrels of vinegar."

• • •

Ike's attitude, however, is not altogether a matter of policy and calculation; it stems in large part from his personality. He hates conflict away from the battlefield. In World War II he showed rare skill in getting along with such temperamental fellows as Field Marshal Montgomery, and in bringing about teamwork among the American, British and French leaders. He showed the same skill when he returned to Europe to head up the NATO forces.

In his efforts to "get along" with Congress, the President has had to back down on occasions. There was, for example, the matter of public housing. He recommended an appropriation for a start on 35,000 new low-rent housing units, 40,000 fewer than Mr. Truman had recommended. The House voted to kill the item and to do away with the New Deal-born housing program altogether.

Ike, in talking to reporters later, said he was not going to argue with Congress about the housing appropriation—that no principle was involved. He called attention to his plan to have a commission study the proper division of func-

OF NATION'S BUSINESS
Trends

tions between the federal Government and state governments. He said he hadn't made up his own mind as to where the divid-

ing line fell, and was counting on the commission to say whether Uncle Sam or the states should handle low-cost housing.

For all Ike's amiability, he can be a very stubborn man at times. He has a temper, too, and his associates have been heard to describe him as a "chandelier climber." Thus, in a showdown, members of Congress probably would behold a different kind of Ike than the one who smiles down on them at the White House luncheon table.

What could precipitate such a showdown?

It is almost certain that Ike would resist—and resist vehemently—any attempt by Congress to go much beyond his own cuts in the rearmament program. Very likely, too, he would crack down on any attempt to reduce income taxes before a balanced budget is in sight.



General Eisenhower rightly feels that he knows more about military affairs, and their bearing on foreign affairs, than any man in Washington. The \$8,500,000,000 cut he has ordered in new appropriations, largely appropriations for defense, is not as big as he would like it to be. Still, it is about as far as he thinks we can safely go. As he told those at the annual dinner of the Chamber of Commerce of the United States on April 29:

"These costs are going to be lowered at the earliest possible moment, but they are never going to be lowered beyond the point where you can say, 'I shall sleep well tonight because my country, its system, its liberties, are safe.'"

So beguiled is Washington with thoughts of economy and tax reduction that it is doubtful if the Eisenhower defense program has yet been grasped in all of its significance.

We have been inclined to think here in terms of "emergencies." World War I and II were emergencies, and likewise Korea. When the Communists struck in 1950, we went in for a "build-up." The draft law was revived, our young men began getting into uniforms, and our factories began to turn out weapons of war. Consciously or otherwise, we still thought of it as a phase, to be followed in the not-too-distant future by a return to a "normal" way of living.

Of course that could still happen if the Russians did an about-face, but Ike isn't counting too heavily on its happening. The picture he has given us of "a posture of defense" is one which we have never experienced for long.

We won't be quite a "garrison state." But for years to come—not ten or 20 years or any other stated period, but for an indefinite time—we will be a real military power, "an America strong and

unafraid." Our youngsters still will be drafted; our taxes still will be relatively high, and a large part of our industrial output will be earmarked for our armed forces and those of our allies. That's the way Ike envisions it, unless the Russians abandon their plug-ugly ways.

There are at least three new ideas in this Eisenhower Plan.

First, we junk the old idea of a build-up toward a "critical year"—1954. That was the year when the Russians were expected to be able to launch an atomic assault on the United States. The trouble with such a thesis, Ike argues, is that if the critical year comes and nothing happens, there will be a tendency to let down and allow our strength to deteriorate.

Second, Ike wants to join military logic with economic logic. We are going to be strong, yes, but only as strong as our economy will allow. He wants "security with solvency." A country, he says, must be able to make a living and pay its bills, or the Communists might win a victory without firing a shot.

Third, we must be prepared, mentally and otherwise, to sustain such a posture of defense for as long as may be necessary, which is to say as long as Russian imperialism remains a threat. This may prove a test for Americans, who are not noted for patience. Will they be willing, for example, to see their sons drafted indefinitely? That remains to be seen, but there is no doubt about one thing: The Pentagon now is prepared to ask for an extension of the Selective Service Act, which expires in June, 1955.

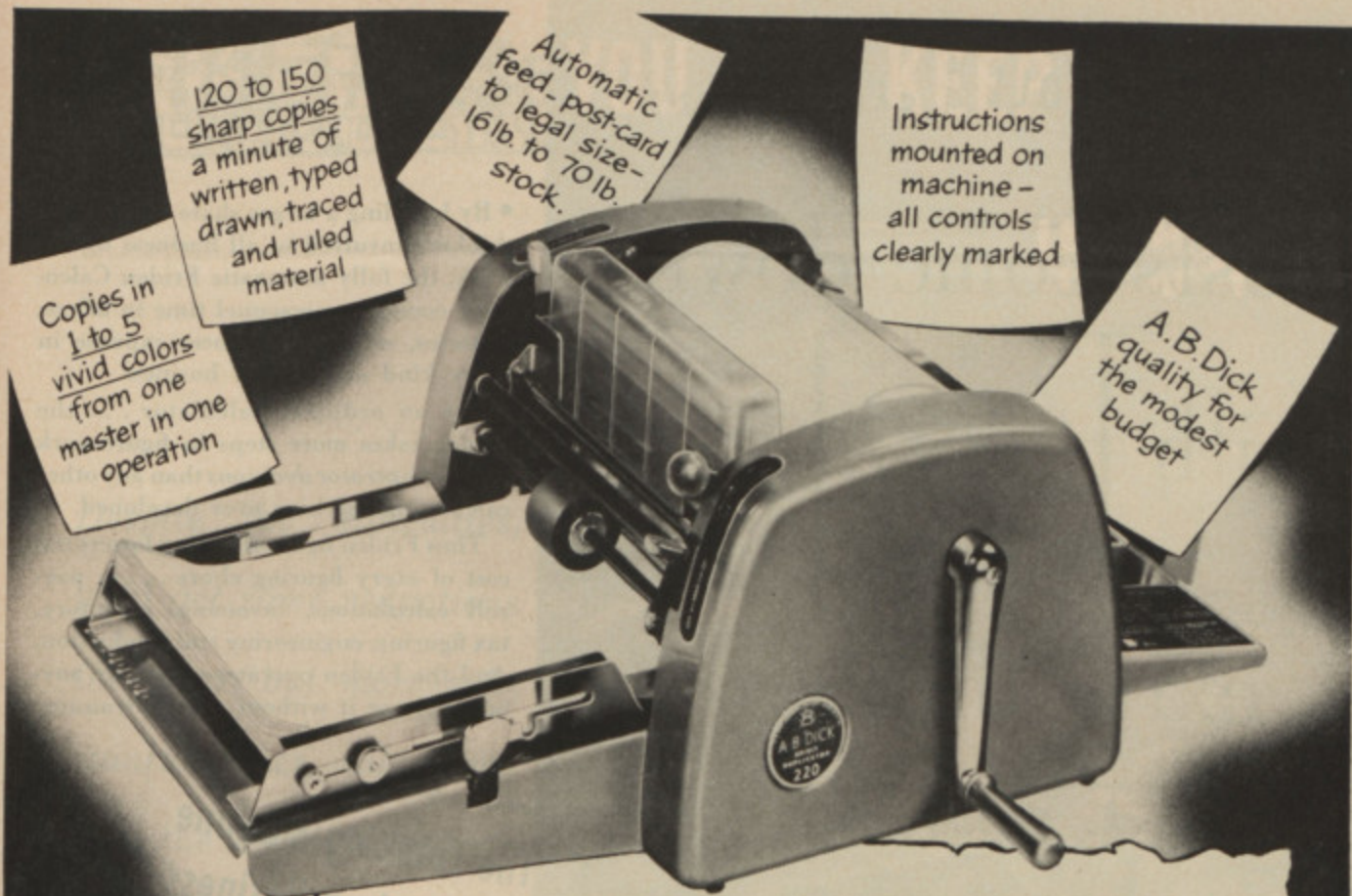


To get back to Ike's proposed commission for studying federal and state relationships, this is something that is close to his heart. He is determined to halt and, if possible, reverse the trend toward Big Government, and he already has made moves in that direction.

The study probably will go on for years, and will surely produce some surprises. For one thing, it will be found that the proponents of federal paternalism are by no means limited to New Deal "planners." We had proof of that here when President Eisenhower called a meeting of mayors to consider the proposed commission.

The mayors, it turned out, were in favor of having the federal Government continue its paternalism—its help to cities in building highways, airports, hospitals, low-cost housing, and so on.

Why? Well, the mayors said, it was because they were afraid of having the states take over these functions. Almost invariably, they said, legislatures are dominated by representatives of rural areas, and therefore by rural thinking. They said the cities cannot look to the legislatures to help them do many things that the federal Government now helps them to do.



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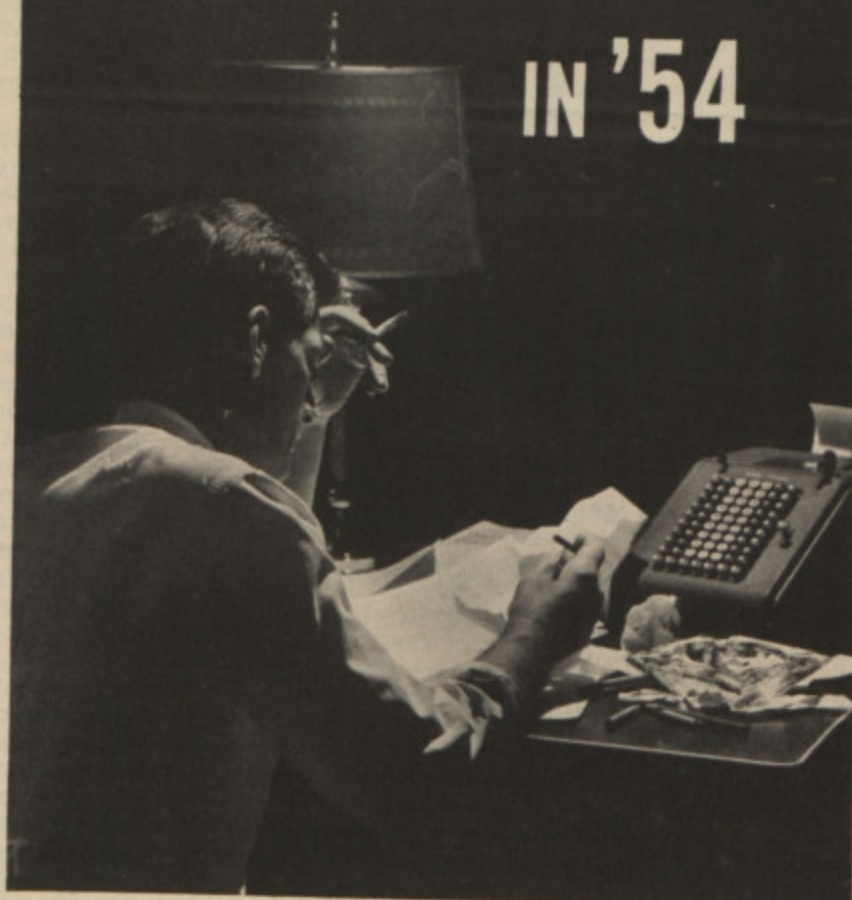
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AFTER TAXES: YOU CAN KEEP MORE IN '54

Despite the difficulties, we'll get some reductions this year, but more substantial ones will come with the Administration's new budget



By GEORGE CLINE SMITH

LARGE NUMBERS of taxpayers have begun to grow impatient for the spending cuts and tax reductions that figured so prominently in pre-election speeches.

Also during the past few months there have been some anguished wails from the "New Team" in the Government as they began to find out what they had inherited.

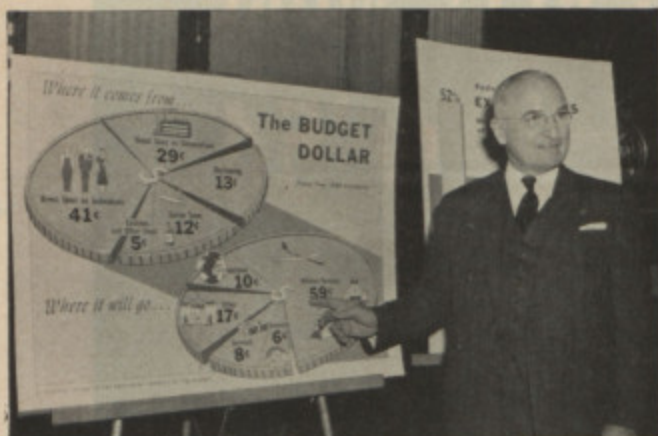
It seems to be a fact that many a taxpayer is disappointed and many a government official is frustrated.

Now that the first hectic months are about to come to a close with the adjournment of Congress, let's appraise the situation.

There is no doubt that the new administration has done a lot toward injecting an attitude of cost consciousness into government. Some habitual spenders have departed, and others have been shocked or frightened into good behavior by strong words from their new superiors. The climate, at least at the top levels, has changed.

It is also clear that the progress has not been quite as good as it might have been. A few mistakes have been made, and delays encountered. The motto is still "business as usual" in some agencies.

So far we have seen a rush job of emergency budget trimming, which should make possible a modest reduction in the individual income tax and the expiration of the oppressive excess profits tax this year. But real tax relief depends on a scientific job of budget



Fiscal 1954 may be an Eisenhower year, but the budget will be Mr. Truman's. It will have, however, certain GOP changes

rebuilding that will take another year of work.

The problems involved in the Herculean task of budget-balancing which the Eisenhower Administration took upon itself boil down to five: unfortunate timing of the laws; unbelievable complexity and red tape; opposition from pressure groups; lack of control over subordinates; and—let's face it—a few errors.

It takes a great many months to plan the spending of more than \$70,000,000,000. Even though fiscal 1954 doesn't begin until July 1, Mr. Truman was required by law to submit a budget before he left office in January. To get the job done, his staff began work nearly a year and a half ago.

Mr. Truman dutifully sent the 1954 budget to Congress Jan. 9, and 11 days later Mr. Eisenhower took office. He had the distinction of being the first new President ever inaugurated in January, and therefore the first to inherit a political opponent's budget just in time to "defend" it before Congress.

Fiscal 1954 may be an Eisenhower year, but the budget will inevitably be Mr. Truman's, with overtones from such emergency changes as the new Administration makes in the short time available.

The first job of any new management is trying to figure out what it is supposed to be managing. The Government that Mr. Eisenhower took over was bigger, more wasteful, more complex, and more red-tape-ridden than any in our history.

The few months available before fiscal 1954 begins have been used mostly in trying to find out what goes on, and to do a crash job of making the most needed changes. New cabinet members were astonished and confused by their own agencies. Time after time, in hearings before the House and Senate Appropriations Committees, they answered questions with "I don't know," or "We just haven't had time to look into that." Such answers were a refreshing contrast to hearings of past years, when

government officials behaved more like mother tigers defending their young, but they point up the problem.

It isn't easy to understand the federal Government. A reasonable man, bent on economy, might well think that the published budget volume gives a good picture of the Government and its spending. After all, it contains 1,155 pages, weighs six pounds nine ounces, and is worth roughly \$12,000,000,000 a pound.

Unfortunately, the book isn't much help. It gives a little more than a page to a detailed description of a \$971 Indian rehabilitation fund; and then devotes about the same amount of space to an item of \$6,664,000,000 for Air Force planes. A request for \$7,600,000,000 in foreign aid funds is outlined in just 106 words, while a longer paragraph describes a \$25 gift fund in the Public Health Service.

The serious-minded economizer has to go back behind this published book to the real budget—the tens of thousands of pages prepared in each agency to justify its projects. What he finds, however, won't make him much happier.

For example, the Government has only a foggy notion of the number of people who work for it. The last published figure was about 2,500,000; but Senator Byrd, chairman of the committee which reports on federal personnel, recently discovered something in the neighborhood of 300,000 more who had never been reported. When a competent federal official was asked how many employees we had in Paris and London, he replied, "Hell, we don't even know how many there are in Virginia."

Our "unified" Defense Department operates four different military air arms—Air Force, Navy, Marine and Army. A fifth—the Coast Guard—isn't even in the Defense Department. The Army, which theoretically went out of the flying business, is planning to spend the tidy sum of \$150,000,000 on airplanes this year.

On top of this, we have eight civilian "air forces" operated by the Tennessee Valley Authority, the Department of Health, Education and Welfare, and other nondefense agencies. The eight civilian units have 219 planes now, and they want to buy 23 more this year.

AT THE latest count, the federal Government had some 2,055 different agencies, bureaus, boards, commissions, divisions, and departments, each with its own functions, its own money, and its own ideas on how to spend it. The men who took over these agencies were often startled by what their own units did, and the way they did it.

The Secretary of Agriculture, for instance, finds his department selling a 200-page book on "The Housing Needs of Farm Families in the West." The book was the result of a survey which involved more than 1,000 questions, including "How many kitchen aprons do you have?" and "How often did you have more than seven guests spend the night, and how long did they stay?" Among the conclusions reached by this costly survey were these: Farm families in the West would like to have central heating, windows over the kitchen sink, and back porches.

Commerce Secretary Sinclair Weeks asked a question, and got the answering office memo on engraved stationery costing three cents a sheet.

Defense Secretary Charles Wilson learned from his predecessor that a typical Army ammunition contract travels 10,000 miles through 42 offices before it becomes effective.

Postmaster General Arthur Summerfield discov-

ered that in the dusty files of his department more than 350,000,000 canceled postal savings certificates were lovingly preserved. Some of them dated back to 1911. Mr. Summerfield also found that his department couldn't tell him how many people worked for it.

The new Housing and Home Finance administrator has employees listed on his payroll who actually work overseas under the jurisdiction of the State Department for the Technical Cooperation Administration, with their salaries paid out of Mutual Security Agency funds which had been appropriated to the President.

WHEN Treasury Secretary George Humphrey took the oath of office, he faced a national debt of \$267,000,000,000 which had been so arranged that \$117,000,000,000 of it was in securities which either come due this year or are payable on demand. He may well have wondered, too, why the Government is paying itself interest on \$45,000,000,000 in government bonds held by its own agencies.

It has been impossible for the new officials to learn enough about the vast, sprawling mass of bureaucracy in time to do a scientific job of replanning and rebudgeting before fiscal 1954 begins. Some of them, however, have made valiant efforts to wield the economy ax where they could.

Budget Director Joseph Dodge issued a now famous directive to hold the line on new construction and new employment; and he also told agency heads to come up with new budget figures, revised downward. These orders were aimed largely at strengthening the hands of the new cabinet members and other officials, whose control over their own agencies is loose, at best. The result was much budget-searching and as any resident of suburban Washington became aware, much burning of midnight oil by middle and top level officials.

Cuts ranging up to 15 per cent were made in the original Truman requests for funds for several agencies. But at this point, the new officials began to run into their third problem—opposition from pressure groups.

Nearly everybody wants economy in government. But on the other hand, nearly every bit of government spending is dear to the heart of someone.

A highly vocal and well-organized pressure group opposing a budget cut can wield a surprising amount of power. A general demand for government economy is not as strong, when it comes to specific issues, as the howls of the few who think they stand to lose something.

For example, the Bureau of Labor Statistics spent three years and \$4,000,000 developing a new and better cost of living index. When the new index became available, the Bureau made plans to drop the old one, for two reasons: the new one was better, and it was a waste of money to publish two. But the protests from people who were fond of the old index were so strong that the White House gave in and ordered the Bureau to re-establish its old index and publish the two side by side.

Strong opposition to any particular reduction is more the rule than the exception. As Secretary Humphrey told a Senate committee, nearly every economy move made so far has been opposed by some group or other.

The fourth problem—and an extremely serious one—involves personnel, personalities, and management methods.

This problem showed up early in the Federal Security Agency—now the Department of Health,

Education and Welfare—when Mrs. Oveta Culp Hobby became administrator. This agency's reputation for wasteful spending and left-wing tendencies was one of the worst in government. Yet Mrs. Hobby, given the job of cleaning it up, found that the only people in the whole agency that she could fire were herself and her private secretary.

Americans generally believe that taxpayers and government workers should have the protection afforded by a career civil service system. But we have carried the idea far beyond its original intent of giving reasonable job security to efficient clerical and professional workers. We have put so many people in high policy-making brackets under civil service protection that a new administration is hamstrung when it tries to carry out new policies.

A new official coming into our complicated bureaucracy has to depend on his underlings to find out what goes on. They are the people who explain and justify the agency's operations to him. When he is the only man in the agency who was not appointed by earlier administrations, he is very apt to be absorbed into the mind-set of those who are supposed to be working for him.

Even if he resists, and retains his own ideas, he may find it difficult to enforce them. Outright disobedience may easily go unpunished. Under our civil service system, a discharged or disciplined worker may have courses of appeal—and at appeal hearings, the boss and not the worker is often the one on trial. The process is also slow and costly.

For the record, it should be said that the vast majority of government workers are efficient, hard-working and, as former President Hoover has often testified, they are basically loyal to their bosses. The problem lies mainly in the difficulty of replacing those in policy-making positions who cannot or will not go along with new ideas.

On top of all

(Continued on page 70)



Top man in planning the new budget is Director Joseph M. Dodge. It is his task to trim Uncle Sam's waste-line to size

TODAY'S YOUNG PEOPLE: more responsible than you were

*Here are some things you ought to know
in dealing with your future employes;
how they are thinking, what they desire*

By **PETER F. DRUCKER**



I HAVE had hardly a single discussion with businessmen since the end of World War II when this question has not popped up sooner or later: What's the matter with today's young people? One man may complain: "The kids don't have the ambition we used to have." Another will chime in: "All they want is an easy job with a big corporation with a pension at the end of 30 years." A third will add: "They just don't seem to have their minds on their work." And so on.

To complain about today's young people has always been as much a symptom of middle-age as the receding hairline or the advancing waistline. Indeed, the last man who complained to me about the young people all wanting security went himself from college into a bank in which his father had an interest. He would still be there had not the depression forced him to face insecurity and to stand on his own feet. One of the loudest complainers about the failure of today's young people to keep their minds on their jobs was a man who was best known himself in the 1920's for his skill in whipping up a batch of bathtub gin.

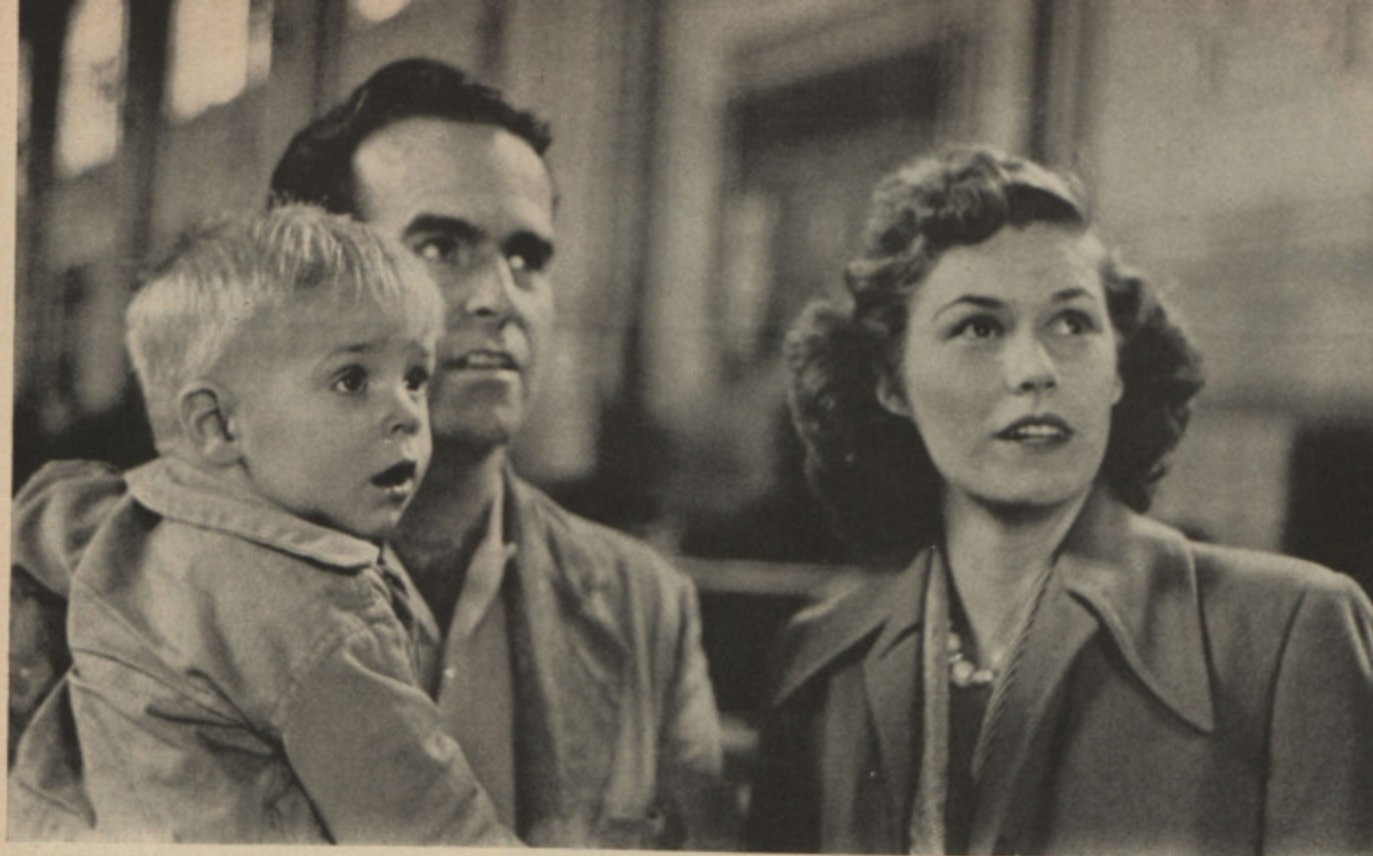
Yet it is true: young people today are different. But they are no worse than their elders were.

Indeed, a very limited contact with the people in their 20's and early 30's will convince anyone that most of them are more responsible, more serious, more concerned with their work and the future than their elders were at the same age. But they are undoubtedly different.

Of course there is no difference in fundamentals. Today's young people are the same human beings their parents were, and their grandparents before them. But the experiences that mold their view of the world, and of their own part in it, are different. The responsibilities they face are different. The problems they see as their central ones are different. It is well worth an employer's while to find out what these differences are.

Three major factors—closely related—largely account for them. Our current young people were children in the depression. Since they grew up the men have always lived in the uncertainty of being called into uniform—for nobody knows how long. More of them are married, and they marry younger than did the generation that preceded them.

At first, one might think that the depression should not mean anything to these people. After all, many of this year's college graduates were not even



PHOTOS BY ROLAND PATTERSON—BLACK STAR

born when the depression reached its climax with the Bank Holiday of 1933. Even the oldest among them, those in their early 30's, are too young ever to have known firsthand what it meant to hunt a job or to lose one during the depression.

Yet every attitude survey among employes which includes a question such as "Do you fear another major depression?" shows clearly that it is the younger groups who are most afraid of a depression and most nearly convinced that it might occur. Similarly dozens of employe surveys have shown that it is the younger people for whom security is the most important job satisfaction. They are most worried about job loss.

Actually there is no contradiction. The psychologists have taught us that childhood experiences have the most lasting impact. It is because our young people were children then that the depression shock went so deep. They lived as small and highly impressionable children through their own fathers' unemployment. Or they had schoolmates and close friends whose fathers lost their jobs. Indeed, many young people, especially those around 30, will tell you that unemployment in their own family or in that of a neighbor was their first distinct impression of the outside world. We know from psychological studies that the first impression is never completely lost.

Still, the "depression shock" of the young generation and the resulting psychological drive for security might by now have been overcome but for the constant worry: "Are we soldiers on temporary furlough or civilians temporarily in uniform?" As a result, the young people feel that they cannot plan a career, fear that at any moment they may find themselves back in uniform for an indefinite period. This is the result, perhaps not so much of four years of wartime military service, but of the present period of international unrest. "At least there was a beginning and an end to it," one of my students said.

But the calling back of the reservists after Korea and the way in which it was done has convinced

practically the entire younger generation that they live in an irrational world in which they are at the mercy of unpredictable accidents. The armed forces called back reservists seemingly without plan and without regard either for their own needs or for the needs of the individual—or so, at least, it seemed to the young people.

In talking to them you hear story after story. There was the medical student who was called back three weeks before graduation, even though the Army complained loudly about the shortage of doctors; the young physicist, a specialist in electronics, who was yanked back into the Quartermaster Corps a few months before finishing his doctorate; the young man who was ordered to duty two weeks before his sick wife had a baby, was refused an emergency furlough, only to find himself sitting and waiting for three months in a camp in Texas.

At the same time, and this rankles deeply, those veterans who for one reason or another had not joined the reserves were not only left alone but were considered exempt from the draft by reason of previous service. Then there were the employers—unfortunately far too many of them—who refused after Korea to hire men who were in the reserves, to train them or to promote them.

Finally, more young people of both sexes are being married today than in any previous time in our history. They marry much younger and have children sooner. While there are no complete figures on the marriage age of young men, it is known that the young American woman of today marries at 20. This age is a full four or five years earlier than it was at any other time in this century, and earlier than at any time since we first started to keep records.

Incidentally the much-publicized "surplus of unmarried women" is a statistical illusion. The surplus exists, but only in the age group above 45; and this is made up largely of widows who have outlived their husbands.

Whatever the reasons for this "marriage boom," whether it reflects an escape from the insecurity of

TODAY'S YOUNG PEOPLE

continued



Today's wife in many cases has held the family together . . .



. . . during the years when her husband was in uniform. She may still be working to make it possible for her veteran-husband to complete his education



our times as many psychologists argue, or whether it just reflects today's economic prosperity, the result is that the young man of today assumes family responsibilities five or six years earlier than did his father. This means that, at the very start of his career, he has to think about security rather than about experimentation and chance-taking. He feels responsible at an early age for the support of a family. Indeed, barely out of school himself, he begins to worry about providing for the education of his own children.

But much more important perhaps, and almost always overlooked, is the fact that the decisions which the young man makes are not his alone. They are made together with his wife. The young wife has assumed an importance in the decisions, in the behavior, in the reaction of the young people which is probably the greatest change compared to the period of 20 or 30 years ago.

The young wife of today in many cases has held the family together during the years when her husband was in uniform. She herself has worked and knows what a job is like; in many cases she still works. Often she has worked to make it possible for her veteran-husband to complete his education.

These young women are the unsung heroines of the past 15 years and deserve, collectively and singly, the Congressional Medal for bravery and achievement. But, as a result, basic career decisions of the young people are no longer the decisions of the young man alone. They are husband-and-wife decisions, with the wife often being the more mature, the more experienced and the more realistic of the two.

The wife cannot but look at these decisions from the point of view of holding the family together in perilous times. She will inevitably think of the effect of the decision should she be left alone again. She remembers how difficult it was for her husband to readjust to civilian life the last time, and therefore considers every decision from this point of view, too.

One recent experience of mine will illustrate the wife's importance and her point of view.

I had a brilliant student, let us call him Jack Tarrant, the kind of student who comes along once

every three or four years to prove that teaching, after all, is worth while. He was called back into the Air Force as a major in the spring of 1951. A few months later I received a letter from him informing me that he expected to be released fairly soon and asking whether I knew of a job. As it happened he was exactly the type of man for whom a client of mine was looking. While the company wanted to see him before hiring him definitely, there was little doubt that a good job was waiting for him.

But a few weeks after I had written him the good news, Mrs. Tarrant (whom I had never seen) called me and asked me to write to her husband that the job was no longer available. When I asked her the reason for so surprising a request, she said:

"Do you realize that Jack and I have been married eight years—since he came back home on furlough when he was 21, and of these eight years he has been in uniform and away from me for almost five? We have three children who grow up as if they didn't have a father.

"I know he will be back in a few more months; but how long do you think a man with his qualifications, a man who is not even 30 yet, will be allowed to stay out? And how long will it be the next time until the children and I see him again? Jack has now been in uniform six of the past 11 years. If he accepts the offer the Air Force has made him and joins up as a regular officer at least five of these years will be counted in his service record toward his retirement.

"He has been a major long enough to have reasonable hopes to get his lieutenant colonelcy soon. If he stays in he will be eligible for retirement at a good pension by the time he's 45 or so. He can hardly fail to be at least a brigadier general by that time—and then he can surely pick and choose any job he wants. But more important, as long as there is no war the children and I will be able to go with him wherever he is sent. The children will have a father. And I will have a husband instead of a pen pal."

Have you any doubt what Jack Tarrant's decision was? I just got a note from him informing me that he had been promoted to lieutenant colonel.

The question therefore is not,



Many of this generation are overcome with the constant worry: "Are we soldiers on temporary furlough or civilians temporarily in uniform?"

what is the matter with today's young people? The real question is, what can we do to help them meet their problems? Of course their problems are created by the world situation; and over this an individual employer has no control. But there are some things which employers can do—some things that have proven successful to help the young people overcome the "depression shock" and the anxiety about insecurity.

One of the things is to give them the security of knowing where they stand. If one asks young people why they prefer a job with a large corporation or with the Government, one of the things they invariably mention is the systematic annual appraisal of their performance and the discussion of their prospects. There is no reason why such an appraisal should not be standard procedure in the small business, too; indeed it is good personnel practice in every organization.

In discussing the young man's job with him, don't forget that he tends to worry as much about keep-

ing the job as about promotion. Don't just put all the emphasis on the promotions that might be ahead—be frank, realistic and clear about the job security in his present assignment.

The second thing to keep in mind is the changed role of the wife. A friend of mine has made it a point to ask each of his younger supervisors and executives to bring his wife in once a year when he then discusses with her and her husband the future plans for the man, the risks involved and so on. He believes that most of the criticism of the younger generation is simply the result of failure to understand that today's young men think in terms of family responsibility and plan together with their wives.

Certainly many young women would agree with the criticism voiced by another wife:

"Jim's boss acts as if he doesn't know that Jim has a wife and two children—in fact, he clearly resents the fact that Jim considers his family more important than anything else. At least he has not

(Continued on page 95)



MASS transportation or MESS?

*Transit companies may provide
a solution for cities threatened
with downtown congestion.*

Philadelphia is showing the way

HISTORIANS of the future will certainly record Dec. 1, 1952, as the day when a major American metropolis first publicly acknowledged that its transit system rated a break instead of a knock. That was the day when conservative Philadelphia prohibited all curb parking in the 112 blocks comprising the heart of the city's shopping and business district.

The ban, involving the cancellation of an established privilege, was even more remarkable because the suggestion came from the city's transit utility—which, like transit companies in many American communities, long had been a public whipping boy.

In the past, in Philadelphia as elsewhere, any transit company proposal was foreordained to be accepted as further proof that the utility was up to no good. Even for proposals originating with others, favorable word from the transit officials was often the kiss of death.

The Philadelphia Transportation Company, however, faced a desperate traffic situation. The congestion in the downtown district threatened to paralyze all movement of autos, trucks, and transit vehicles in the three shopping weeks before Christmas.

"If utter chaos is to be avoided . . . drastic remedial measures must be taken," R. F. Tyson, PTC executive vice president, warned the mayor.

Furthermore the PTC notified the newspapers of its warning and its proposed remedy.

Ordinarily, the PTC plan would have done little more than inspire a stream of derisive letters to the editor. But, among the first to learn of the suggestion was youthful, dynamic Robert K. Sawyer, Philadelphia's city managing director. He read the papers on his way to work and, by the time he reached City Hall, had determined on action rather than debate. Backed by Mayor Joseph S. Clark, Jr., the city manager ordered the curb parking ban put into effect as a pre-Christmas emergency traffic measure.

The experiment was an instantaneous success. Forty-eight hours after parking was prohibited, the





Flora

By SAM STAVISKY

Philadelphia *Inquirer* declared enthusiastically: "For two full days many thousands of people have seen, with something bordering on astonishment, that Philadelphia doesn't have to suffer incessant traffic jams."

Having seen how smoothly traffic could flow through the downtown streets, the city heads extended the ban for three months, then took steps to make it permanent by city ordinance.

Philadelphia benefited in a number of ways. Traffic accidents were reduced by 20 per cent; the flow of autos and trucks was speeded up 27 per cent; the passage of fire engines was expedited; cab rates, geared to time as well as distance, were lowered, while the drivers' daily take in trips and tips was increased.

But the most dramatic daily effect of the ban was the substantial improvement of bus and streetcar service in the business district. The transit vehicles moved faster, delays were reduced, and the frustrating cutback—when the operator gives up trying to complete his run and pushes out his passengers with advice to board the next approaching vehicle—was cut by 50 per cent. New Jersey residents commuting to Philadelphia by bus save 20 to 25 minutes per round trip. One transit operator, after his first run through the restricted area, happily exclaimed: "This is the greatest development in transportation since the invention of the jet plane."

And how was downtown business affected by the parking ban?

The merchants—with few exceptions—discovered their business depended not on the number of vehicles but on the number of people who came into the central city. Although some specialty shop merchants still feel that the parking restriction scares off one-stop shoppers, the Philadelphia Merchants Association, originally cold to the idea, found—in the words of a spokesman—that it did a "world of good."

"All in all, it is now easier and more pleasant to shop in the center city, and to get from one store to another," also reports Frederick B. Hufnagel, Jr., chairman of a special Chamber of Commerce com-

mittee studying the effects of the ban. "From every angle it appears that the parking ban is a great success. . . ."

Mr. Hufnagel said his group had found little merit in complaints of hardship caused by the action. Of 1,700 spaces covered by the ban, roughly 1,000 already were legally barred to parkers for one reason or another even before the ban was ordered. Some of the complaints were based on the fact that the parking ban was being enforced. One merchant, Mr. Hufnagel recalls, candidly admitted he wanted the ban suspended in front of his shop so he could park his mother-in-law's car there and help maintain peace in the family.

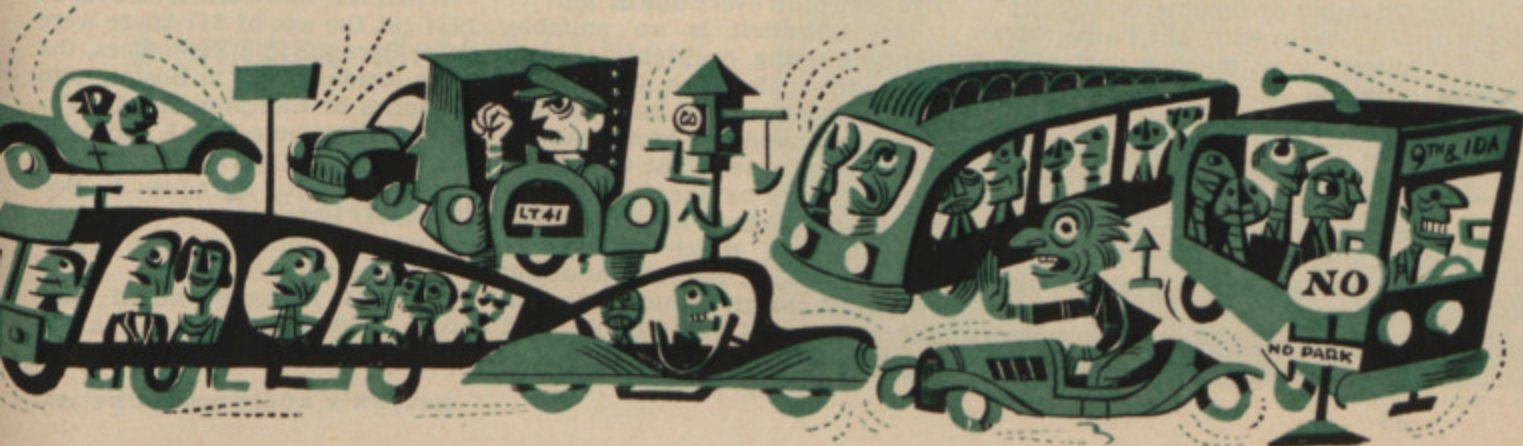
Most significant angle of the Philadelphia story is not in its immediate traffic and transit relief, but in its long-range impact. Philadelphia is beginning to realize—as most cities eventually must—that its transit system is the lifeline to its downtown shopping and business center.

Even before the ban, some Philadelphia civic leaders and businessmen were aware of a survey which showed that approximately 85 out of 100 shoppers in central city arrived there by transit, as against nine out of 100 by auto. (The survey also showed that autos parked at the curb represented only 2.2 per cent of the downtown shoppers.)

Thus, in improving its transit service, Philadelphia improved and strengthened its lifeline at a time when the nation's cities are threatened with loss of trade, lowering of commercial property values, and reduction in tax revenues as a result of the postwar boom in automobile ownership, traffic congestion, and the migration of large segments of the city population into the suburbs.

The situation in Philadelphia is symptomatic of the primary problem which many cities face. Surveys have disclosed that 75 out of 100 central city shoppers in Atlanta come via transit; 81 out of 100 in Indianapolis; 65 out of 100 in San Francisco. "Sixty to 80 per cent of the working people and shoppers depend on transit in our larger cities," reports the Transportation Department of the Chamber of Commerce of the

(Continued on page 91)





WERNER WOLFF—BLACK STAR

FROM PIT

AS AN EXAMPLE of twentieth century progress, Richard Lyon Bowditch has any number of qualities which would distinguish him—even if he had not already negotiated the dizzy climb from the depths of a coal mine to the simultaneous presidencies of a coal and fuel oil corporation, a steamship company, and the United States Chamber of Commerce.

To begin with, the name, "Bowditch," is as much a part of New England as cranberries and cod. Mr. Bowditch himself is an admirably proper Bostonian, though in no sense a stuffy one. He is also an amazingly energetic Bostonian who moves at such a consistently rapid pace he is often no more than a blur traveling in several directions almost at once.

In a world of incurable pessimists, he is a devout optimist. If

there is such a thing as a practical idealist, he qualifies for that distinction, too. As a thoroughly enlightened Yankee, in fact, he is the direct antithesis of that supposedly classic New Englander who, on reaching his ninetieth birthday, was asked if he had noticed a lot of changes in his time.

"Yes, sir," he said proudly, "and I've been agin every one of 'em!"

Mr. Bowditch is an amiable, lightly graying, deep-chested man of 52. He is also such a genuinely unpretentious man it has probably never occurred to him that he might be unique. That is entirely possible, since he has spent nearly his entire business life in the two companies of which he is now president, C. H. Sprague and Son Company, which mines, sells and distributes coal and fuel oil, and the Sprague Steamship Company,

a prosperous seagoing relative. Moreover, they have traveled a long way together.

Thanks largely to his foresight and that of the men he has gathered around him, Sprague and Son is now one of the titans, both as an exporter of American coal and as a domestic distributor in coal and fuel oil.

When Mr. Bowditch took over in 1934 (at the age of 34) there were three Sprague and Son offices, the main headquarters in Boston, and branches in Hampton Roads, Va., and in Providence, R. I. Sprague and Son now has 17 branches, including C. H. Sprague & Son (Canada) Ltd., in Montreal. In addition it maintains its own representatives abroad.

In 1934 Sprague moved only about 2,000,000 tons of coal in three states — Massachusetts,

Maine and Rhode Island. The company has grown steadily, and last year it shipped more than 21,000,000 tons to more than 25 states and many foreign countries.

Its president modestly points out, however, that last year was exceptional because of the stockpiling going on in Europe. Now that the Schuman Plan is under way, he expects his company's volume to revert to a more natural level of perhaps 12,000,000 tons. Nevertheless, 12,000,000 tons of coal a year is an impressive pile.

Sprague and Son gets its coal, most of it bituminous except for small quantities of anthracite for export, in a variety of ways. The company owns three coal mines outright. It has approximately a half interest in a company owning seven others.

It sells the output of several more mines for independent owners. It also owns docks and plants at Searsport, Me., Providence, R. I., Portsmouth, N. H., Brooklyn, N. Y., and operates several other docks in Boston. These are facilities for coal storage, fuel oil storage, and the discharging of colliers and tankers.

Moreover, having started from absolute scratch in the fuel oil business three years ago, Sprague and Son now handles more than 10,000,000 barrels of residual fuel

oil annually, most of it coming from Venezuela.

While his oil and coal cars are rolling, Mr. Bowditch in a sense is also breasting oceans. On almost any day, the red and blue flag of the Sprague Steamship Company can be found flying in Narvik, Liberia, Hampton Roads, Yokohama or any one of a hundred other ports.

All told, the company owns five colliers, or dry cargo carriers, and two C2's, or general cargo carriers. In addition, Sprague is frequently hired to operate ships other than its own. During World War II, for instance, Sprague crews manned and sailed as many as 25 of these ships at one time, carrying both civilian and military cargoes. It was also Sprague-trained dock crews which were commandeered by the Government and entrusted with loading ammunition during the war at Searsport, one of the chief ammunition-loading ports on the East Coast.

A good many of his competitors must wonder from time to time what magic formula Mr. Bowditch uses in keeping the two Sprague companies advancing over the battlefields of commerce, particularly since competition in New England is traditionally about the stiffest in the country. If they would ask him, they would in all

likelihood be disappointed by the simplicity of his answer. He would merely say, as he invariably does in response to the question, "Teamwork."

The concept of the New England businessman as an ultra-cautious conservative is largely a myth, and Mr. Bowditch, though a dyed-in-the-wool Yankee, can be as adventurous as any businessman in Seattle or Houston or anywhere else.

Nevertheless, he feels that his job as a company president is essentially one of coordination, and he has developed to a high degree the art of delegating authority.

When he hands the ball off to a subordinate, the latter is apt to find himself momentarily alone with the enemy, but the system works. Striking proof of this was provided when Sprague and Son made the decision to go into the fuel oil business. The company was successful in fuel oil almost immediately, yet it did not add a single person to the payroll, even to brief the salesmen on the difference between selling coal and oil. With utter confidence, Mr. Bowditch simply asked his associates to figure out the way ahead, and he accepted their recommendations as to the course they should follow with the same implicit trust.

(Continued on page 88)

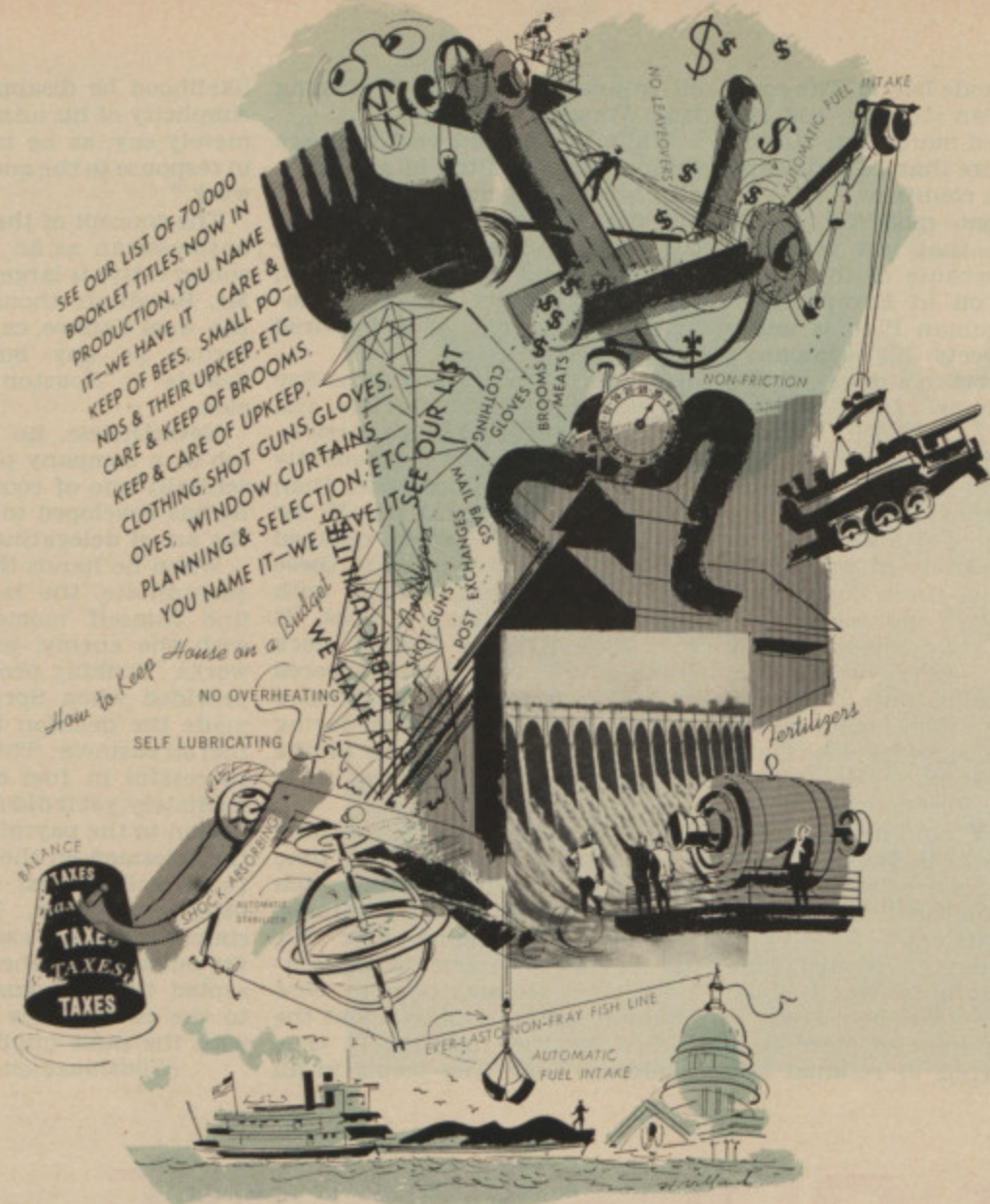
TO PRESIDENT

By COLLIE SMALL

Richard L. Bowditch, new
head of the U. S. Chamber, is
a practical idealist (if there
is such a thing), and a
devout optimist



PHOTO BY EDWARD BURKS



BIGGEST FAILURE IN BUSINESS

By **SIDNEY SHALETT**

ONE OF the most formidable business combines in the United States today is an outfit which, to mention only a few of its operations, runs railroads, waterways, steamships, public utilities and hotels, and delivers packages to your door. It operates a chain of general stores at which it sells clothing, meat, shotguns, fishhooks and gimcracks; it also manufactures and sells fertilizer, and makes brooms, gloves, mail bags, mattresses, blankets and a myriad of other things. It is a book publisher; a big commodity trader, and it engages in a huge, all-encompassing loan business and in small-scale banking activities—paying you more interest on your savings account, incidentally, than most private banks.

An odd thing about this colossus is that it really isn't much of a businessman. It loses money and its investors groan. But its capital is unlimited, or seems that way, and, like Old Man River, it just keeps rolling along. If this combine were an ordinary corporation, it would be a trust and the Government would take steps to bust it. Even so, Uncle Sam finally is being pressured to do something about protecting American business from this powerful competitor, who, of course, is Uncle Sam himself.

In 1949, the Hoover Commission found there were about 100 "important business enterprises" either owned outright or partly by the Government. The Government's direct investment then was more

*Even with unlimited capital, our toughest trust loses money.
Its investors groan. But like Old Man River, it
just keeps rolling along. Now it may be reaching a dam—*

than \$20,000,000,000 with commitments for another \$14,000,000,000 plus government guarantees on \$90,000,000,000 worth of mortgages and \$40,000,000,000 worth of government life insurance.

Today, the number of business activities is essentially the same. It is hard even for Treasury experts to pinpoint an exact figure on what Uncle Sam has sunk into business-type activities. Figures drawn from Treasury's 1952 year-end statement, augmented by other sources, would indicate that government interests in corporations and business activities were close to the \$50,000,000,000 mark. Assets over liabilities approached \$35,000,000,000.

Recently, Rep. Fred E. Busbey (R., Ill.), an investment broker in private life and a man who keeps a little sign, "ECONOMY," tacked to the door of his inner office, got to brooding over what to him was the appalling expansion of Government in business. He took the floor of the House and made a speech in which he declared: "Possibly we are not keenly aware of the threat to privately owned enterprises in all parts of the country because of competition from the purely business activities of the federal Government."

After listing a number of "horrible examples" of what he was talking about, Rep. Busbey introduced a resolution calling for creation of a "little Hoover Commission" to attack the problem. It would be called "The Commission to Study Government Competition With Private, Taxpaying Enterprise," and would be made up of 21 members drawn from various walks of industrial, business, transportation, publishing and other related activities.

Rep. Busbey is not a zealot who thinks the Government should be kicked out of all activities that possibly compete with private interests. He recognizes that a number of Government business activities serve the public well and properly and should be continued. "There's no doubt, however, that the thing has gone too far," he declares. "When Government enters a business field 'temporarily' to alleviate some emergency condition, it rarely, if ever, gets out when its job is done, but just keeps on growing and growing—sitting on our necks like the Old Man of the Sea. This Commission would give Congress an expertly prepared blueprint on what we might prune and what we might keep—then it would be up to Congress to do the rest by passing suitable laws."

The Illinois legislator now is pushing hard to line up congressional and White House support for his measure. He is assured at least of an Administration sympathetic to his basic aims. President Eisenhower, in numerous public and private statements, has made it clear that his philosophy can be summed up in the following sentence:

"If private enterprise can do the job better than Government, I'm for it."

It would be the fuzziest kind of wishful thinking to assume that things are going to be different overnight, just because a sympathetic Administration is in power. To make even small headway is going to be a task comparable to untying the Gordian

knot, unless Ike, like Alexander the Great, chooses to use a sword. These government business activities are entrenched and powerful; even the smallest of them has friends (with votes) who will squawk loudly to Congress when and if the vote comes up to do away with them.

However, the portents are good and some activity already is rolling. For instance, the Administration already is moving to liquidate one of the examples which Rep. Busbey cites as among the "most horrible"—the Inland Waterways Corporation. This is a federal barge line which provides service in the Mississippi-Missouri Valley and along the Warrior River in Alabama, and also operates a railroad switching facility in Alabama. Secretary of Commerce Sinclair Weeks has put up the property for sale, describing it as "the type of federal activity which could be better performed by private enterprise . . . with resultant savings to the taxpayer."

Critics regard Inland Waterways as the classic example of how a federal bureaucracy, when it enters a business field for a temporary purpose, develops a "man-who-came-to-dinner" complex and never goes home. It was originally formed under a different name by the Railroad Administration in 1918 to cope with a World War I emergency. When it became a corporation in 1924, Congress clearly indicated that it expected it to exist as a public enterprise for only a few years, to show what could be done in water transportation.

The "temporary" corporation now is almost 30 years old—35, if you go back to 1918—and has cost the taxpayers nearly \$25,000,000. While the railroad switch line shows a profit, the barge operations perennially lose money—even though the corporation pays no taxes and no interest on the money advanced it by the Government. Its physical condition so deteriorated during World War II that, at the 1952 budget hearings, Commerce officials said it would take \$12,000,000 to put it into shape. President Truman, in his final budget message, said the experiment, as a "demonstration" of the possibilities of water transportation, had been a failure, and that Congress should consider jettisoning the whole business.

Now Secretary Weeks has put it on the block. There are provisions in the law, however, that the purchaser must agree to continue certain types of unprofitable services and that no rail carrier can bid. Unless Congress relaxes these requirements, disposition is not going to be easy.

Another example of positive direction by the Administration has been the President's announcement that he is willing to let the scandal- and controversy-ridden Reconstruction Finance Corporation go out of business as of June 30, 1954. This was another "temporary" depression measure set up in 1932 by the last Republican President, Herbert Hoover.

Since then, the "temporary" agency has made some 127,000 loans for about \$13,000,000,000, and it now has \$1,200,000,000 (Continued on page 77)

IKE LIKES THEM



H. Lee White says he owes his start to a dog



Jack Beardwood is Mrs. Hobby's No. 1 assistant

I RECENTLY MET a tall, slim young man who told me one of his fondest dreams is that of some day making a sightseeing tour of Washington. But he shook his head and said his chances of seeing the nation's capital looked mighty remote.

That would not be surprising if the young man were an inhabitant of the Gobi desert, but he lives in the heart of the city he longs to see. He is Charles F. Willis, Jr., a 34-year-old businessman who is a special assistant to the Assistant to the President of the United States, and he works in the White House itself.

In that spot, Mr. Willis could easily see all the Washington sights if he chose to, but he has no time for such things. Ever since he joined the President's staff, he has been working like a galley slave. He gets on his job at 8 a.m., stays on it until 9 or 10 p.m., and runs two secretaries ragged trying to keep up with him. Saturday is just another day to Mr. Willis and he usually works on Sundays. He'd love to do some rubbernecking, yes, but he finds it a terrific problem even to snatch time for a haircut.

Charlie Willis is typical of a sizable group of young men who have moved into Washington with the

new Administration. Not all of them hit quite as hectic a pace as he does, but without exception they're giving everything they've got to their jobs. They are working unheard-of hours, neglecting their personal affairs to attend to Uncle Sam's business, hunting like beagles for new and better ways of running the country, and injecting more zeal into Government than Washington has seen in a generation.

Responsible for this infiltration of youth is President Eisenhower himself. A remarkably bouncy man at 62, he has often let it be known that he likes to have younger men around him. When he was in command of the North Atlantic Treaty Organization, he selected so many young aides that he ruffled the feelings of certain European graybeards. In a statement to members of the United States Junior Chamber of Commerce in Dallas early last summer, he said he intended, if nominated and elected President, to bring many young men into the Government because, speaking generally, they can work longer and harder than older men, are more flexible in their attitudes, more eager to make reputations for themselves, and less inclined to utter those

dreary words, "It can't be done."

On his White House staff, he has placed, in addition to Mr. Willis, three go-getters aged 32, 38, and 40, and in virtually every department of the Government comparative youngsters are now holding important posts. One Cabinet member, Robert B. Anderson, Secretary of the Navy, is only 42, and in nearly every bureau you will find much younger men serving as deputy secretaries, assistant secretaries or assistants to the secretary.

There has been nothing quite like it, in fact, since the first New Deal Administration swung into power 20 years ago. If you are old enough to remember those times, you will recall the tidal wave of ambitious youth which swept into the capital with Franklin D. Roosevelt. They included a number of then young men whose names later became household words, among them Rexford G. Tugwell, Lewis W. Douglas, David Lilienthal, Oscar L. Chapman, Thomas (Tommy the Cork) Corcoran, and Samuel (Sammy the Rose) Rosenman.

In sheer numbers, President Eisenhower's young followers do not compare with F.D.R.'s beardless cohorts of the early 1930's. Under present civil service regulations so many government jobs are

YOUNG

By CLARENCE WOODBURY

PHOTOS BY EDWARD BURKS



Letterheads baffled Stanley M. Rumbough, Jr.



Charles F. Willis, Jr., is aide to Sherman Adams

frozen that there isn't room for the mass influx of youth which Washington saw in the New Deal era. Appointments have been so slow, in fact, that the National Federation of Young Republican Clubs has expressed disappointment, and Congress is being needled to open up more jobs for the G.O.P. faithful—a chore which the lawmakers are expected to get around to presently. Thus, the young Republicans now taking over key positions may be regarded as merely the vanguard of a continuing youth invasion. But they are worthy of attention for they symbolize a new type of young man in Government of whom we appear destined to see much during the next few years.

They are a different breed in most respects from the young New Dealers and Fair Dealers of former years. For one thing, they are quieter and a bit more sedate in appearance. During a protracted visit to Washington, I recently got acquainted with most of the top young men in the new Administration and I didn't meet one with a rumpled mop of hair, a bow tie that had gone askew, or pants which did not match his coat. They looked much more like serious young business executives, which many of them are, than the young intellec-

The President himself is responsible for the infiltration of young, energetic men who, while not taking over entirely, are making their weight felt in the capital

Everybody must work, is William P. Rogers' creed



IKE LIKES THEM YOUNG *continued*



Memo rigmarole irks Roderic L. O'Connor

tuals in the heyday of Mr. Roosevelt.

For another thing, I found the young Republicans somewhat less exciting to talk with. They have all been to college and some of them hold several degrees but they don't overwhelm you with their sparkle or erudition. Back in the early '30's, I interviewed many of the young New Dealers and usually found it an exhilarating experience to say the least.

I remember one of them in particular, an assistant to the Secretary of Agriculture, whom I asked about the future of farm commodity prices. His eyes lighted up and he talked brilliantly for an hour about agrarian philosophy, Irish folk poetry and a lot of other things like that before taking up corn and hog prices. Most of today's Washington hopefuls are not as scintillating as he was, but they get down to corn and hogs a lot quicker.

As a group, Ike's young men have several other things in common. Most of them are married and Washington chuckles over the fact that they appear to be more proficient breeders than the young Democrats were. On the average, they seem to have many more children. The majority saw a lot of combat service during the war and

this appears to have sobered their thinking about international affairs. They undoubtedly have just as much crusading spirit as the young New Dealers had, but it expresses itself in a different way. Or perhaps that is because they live in a different and much more dangerous world. As a group, they are more intent upon safeguarding and stabilizing existing institutions than in ripping things wide open and trying new experiments.

But to show you what kind of sprouts are now rearing their heads in Washington, let me take you on a tour of the capital and introduce you briefly to a few of those I met during my recent stay. First, we'll go to the West Executive wing of the White House and shake hands with hard-working Charlie Willis who is pretty typical of the new youth crop.

Mr. Willis is an intense young man with dark eyes and hair, a strong jaw, and a way of scowling quite frequently when he isn't smiling. He has done a lot of scowling in his 34 years—and usually with ample provocation.

One of the first times he got very hot under the collar was Dec. 7, 1941, when he was gashed in the side by a shard of steel from one of the first Japanese bombs to fall on Pearl Harbor. He was a Navy fighter pilot then, having been born in Texas and educated at the University of Florida, and the effrontery of the Japs made him so mad he couldn't be kept in a hospital. Just a week after Pearl Harbor, he was out gunning for 'em over the Pacific.

After war experiences which netted him just about all the decorations there are, Mr. Willis settled down in Maryland and went into business. He assembled a group of other ex-war fliers as his partners, sold stock to 60 small investors most of whom were also veterans, bought two surplus DC-3s from the Government, and organized a small air freight company which flew a variety of commodities up and down the Atlantic coast and to Europe.

Mr. Willis' company got off to a promising start, but just as it was commencing to make money the Government laid a heavy hand on the enterprise. The Civil Aeronau-

tics Board, which regulates air routes, denied Mr. Willis a charter and, according to him, this was merely because the CAB officials considered his firm undercapitalized. He didn't have enough financial backing to operate an airline, they seemed to think, although he was already doing so successfully.

That ruling, which spelled disaster for him and his stockholders, made Mr. Willis almost as mad as the Japs had. But he didn't let it crush him. He started a flying school at Teterboro, N. J., where he taught more than 2,000 students to fly, and then branched out into a kindred line by obtaining, with a friend, a profitable fuel concession at the Idlewild Airport in New York City.

But Mr. Willis, an ex-Democrat, was still burned up over what a federal decision had done to his budding airline. There was something drastically wrong, he felt, with a Government which would not let a man forge ahead in the world. Consequently, in 1948 in Hoboken, N. J., he became one of the co-founders of the original Citizens for Eisenhower movement which set out to "divert whirlpools of dissatisfaction into channels of action."

In pursuance of that aim, Mr. Willis flew in his own plane over much of the nation during the next few years rallying his friends and acquaintances, most of whom were Democrats or Independents, to support Ike in 1952. When then Sen. Henry Cabot Lodge, Jr., took over Mr. Eisenhower's pre-convention campaign, Mr. Willis joined his staff and later traveled with Ike during the Presidential campaign.

Mr. Willis gave up an annual income of about \$30,000 from his Idlewild fuel business to take his present job at only a little more than one third that amount, but he wields great power and influence. His immediate boss is Sherman Adams, the President's No. 1 aide, with whom he confers on the average of once an hour. Many of the Willis-Adams conferences have to do with who shall and shall not get important government jobs under the new regime.

This dynamic young man, of whom we are almost certain to hear more in the future, has a wife and three children, aged seven, four, and one, in Baltimore. When

I met him he had not yet had time to move them to Washington because, as I've said, he's working about as hard as a human can work. But he loves it.

Only a few yards from Mr. Willis' office is that of another one of the young White House stalwarts, Max Rabb, 40, who resembles him in many ways. But Mr. Rabb, who is dark and stockily built, is a bit more urbane than Mr. Willis, and he needs to be because, in addition to serving as a liaison man between the White House and Congress, one of his jobs is that of shielding the President and Sherman Adams from all kinds of important people who demand to see them or seek other favors. In performing this function, he probably says "no" to more bigwigs than anybody in the country.

President Eisenhower has often let it be known that he doesn't like yes men, and Mr. Rabb is admirably qualified to serve him in an opposite capacity because most of his life he has been disagreeing vigorously with the majority of his associates.

Born and reared in Boston, he attended Harvard University and Harvard Law School where he was one of the few Republicans in his class of 1935. Felix Frankfurter, now a Supreme Court Justice, was a celebrated professor in the law school at that time and Mr. Rabb was constantly in redhot political arguments with his classmates, many of whom later took jobs with the Roosevelt Administration.

After graduation, Mr. Rabb started his own law firm in Boston and did well, but left his business in 1937 to go to Washington as an assistant to Senator Lodge, who was the only new Republican to enter the Senate that year. On Capitol Hill, Mr. Rabb again was in the position of a battler for a forlorn hope until he entered the Navy in 1942. After the war, he got smack into the middle of another lusty brawl as legal consultant to Defense Secretary James V. Forrestal who was trying to unify the armed forces.

Back in Boston after that assignment was finished, Mr. Rabb resumed his law practice and kept at it until late in 1951 when he again gave up his business to go to work for Senator Lodge—this time as a crusader for Mr. Eisenhower.

In his present job, Mr. Rabb

works the hours of a double-shift mill hand. He is so busy during the day that he rarely gets a chance to look out of the window to see what the weather is like, and at night when he retires to the apartment where he is living pending the moving of his wife and four children to a house he has bought in suburban Bethesda, Md., he often rolls up between bare blankets because he can't find time during the day to get his sheets from the laundry.

Mr. Rabb has had only one full day off since the inauguration, in fact, and it was a red letter day for him for more reasons than one. He flew to Boston to receive a prize awarded him by the National Conference of Christians and Jews and was met at the Boston airport by his wife whom he hadn't seen in many weeks.

"Is there anything new, dear?" he asked her.

"Yes," she replied, "our house burned down last night."

But even that wasn't enough to keep Mr. Rabb from his work. After receiving his award and making a quick motor trip to view the still smoking wreckage of his home in Brookline, Mass., he boarded an express train for Washington and

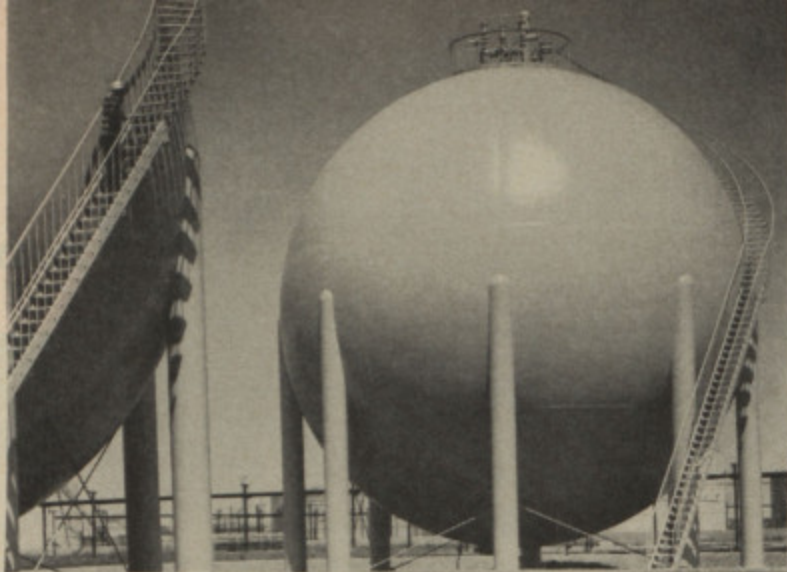
(Continued on page 84)



Max Rabb, White House man with the power to say "no"



Emmet J. Hughes, on left, is the White House writer. Gabriel Hauge serves as economist



HOW'S

AN AUTHORITATIVE REPORT BY THE STAFF OF THE CHAMBER OF COMMERCE OF THE UNITED STATES

AGRICULTURE

FROM now until harvest time for the nation's major crops farm business news will center greatly around growing conditions. If the climatologic and other growing factors are average, the nation's farms will produce for market about the same total volume of products as 1952's record output.

But the income side of the story for farmers will be somewhat different. With prices for commodities running considerably below 1952, at least for the first quarter and probably so for much of the rest of the current year, the large volume of marketing won't be worth quite so much.

The U. S. Department of Agriculture says farmers' net income may be down about \$1,000,000,000 from last year's \$14,300,000,000.

On the spending side farmers' outlays for purchases of livestock, feed, seed and for rents will probably be lower, but the ticket will be higher for other items all the way from interest and taxes to fertilizer and labor.

CONSTRUCTION

RESIDENTIAL repairs and remodeling is the new order of the day. Keeping up to date some 43,000,000 nonfarm family dwellings is the challenge which now faces the construction industry.

Executives of most of the major building materials companies report the end use of their products 50 per cent or more in the fix-up market. Some believe that the residential fix-up business may now be running more than \$6,500,000,000. They believe, too, that another \$1,000,000,000 to \$2,000,000,000 could be added.

Such a volume of work would make the fix-up market more important than any other category of private construction activity except new residential building itself. In this field, the increase of interest rates on VA-guaranteed and FHA-insured mortgages to 4½ per cent does not change the earlier forecast of a 1953 home-building year of about 1,000,000 new units. What it does is to put VA and FHA mortgages in a better competitive position in the present real estate credit market.

CREDIT & FINANCE

SUCCESS of the Treasury's offering of long-term bonds at 3¼ per cent—first major increase since the freeze at the beginning of World War II—virtually assures more of the same. About 40 per cent of the total government debt is in securities payable on demand or within one year, and Treasury Secretary Humphrey wants to move more of this short-term debt into longer maturities.

Side effects will of course be a raising of interest rates generally.

Short-term consumer credit has continued its steady rise, from \$2,000,000,000 outstanding at the beginning of 1946 to slightly under \$10,000,000,000 today. Consumer credit still represents a smaller percentage of personal income than in 1940.

DISTRIBUTION

DISTRIBUTION is receiving more and more attention in business and government circles as the "pipeline to prosperity." Much of the discussion turns on the prospects of increasing demand for consumer goods through intensified selling and advertising in case a Korean peace brings a cutback in defense spending. Present ratio (2.5 per cent) of advertising expenditures to national income is lower than at any time from 1914, when figures were first kept, until World War II.

International circles are emphasizing distribution, too. Important conferences will be held in Europe this summer to develop better distribution methods.

The employment situation remains "tight" in all segments of distribution. Distribution executives are carefully studying credit financing. In general, instalment buying will be expanded rather than curtailed.

FOREIGN TRADE

THE battle lines are now being formed over the extension of the Trade Agreements Act. The issues in what may become a fundamental decision in America's international trade policy are now drawn, but it is unlikely that they will be joined until next year. At present the main dispute is over the manner in which the Trade Agreements Act will be extended, but eventually we will have to decide whether to increase the level of international trade or to adopt a protectionist policy.

The initiative now rests with the protectionists. The Simpson bill would extend the Trade Agreements Act, but the bill's wording leaves no doubt that it would seri-

BUSINESS? a look ahead

ously curb our imports. A simple one-year extension of the present law, pending the report of the fact-finding commission, would only postpone the day when this country must decide whether it wants to trade.

If this country is to return to the economic philosophy and practices of the depression era, the trade agreements program will have to be scrapped. But, if we were to increase international trade, we must recognize that many domestic policies are inimical to trade expansion.

GOVERNMENT SPENDING

CUTS in 1954 appropriations requests made by the House Appropriations Committee and sustained by the House itself are proof of the determination by Rep. John Taber (R., N. Y.) and his economy group that "the House will balance the budget."

Trouble is that the Senate, in its capacity as a sort of appropriations court of appeals, may put back a lot of the money cut out.

An appropriations log jam is in the making. The new fiscal year begins July 1, but the House, which originates appropriations bills, won't even consider the two biggest—defense and foreign aid—until after June 20.

The Senate will then take up the bills and debate them in its own way, after which there will be conferences to iron out the differences. Some agencies are sure to begin the new fiscal year without funds.

LABOR RELATIONS

WITH hearings before both House and Senate Labor committees completed, the members are generally inclined toward making certain changes in the Taft-Hartley Act. They are finding, however, that methods are exceedingly difficult to agree upon. For example, sentiment to tighten the Taft-Hartley ban on secondary boycotts is strong but wording to rectify the situation is a problem.

Similarly, Congress would like to give the states more legislative authority. Here, again, the ques-

tion is how. One proposal would exclude employers with fewer than ten employees from the Act. But in states without boycott bans, powerful unions could then use the secondary boycott to force organization on small employers.

Sentiment toward enlarging the National Labor Relations Board to seven or nine members is gaining in Congress. Congress is friendly also toward giving the board responsibility only to decide cases, leaving administration and prosecution responsibilities to the general counsel or perhaps to a new official to be known as an administrator.

A lengthening shadow over what Congress may do to Taft-Hartley is the steel contract, the deadline for its renewal being June 30. What is done in steel will influence wage demands in other industries.

NATURAL RESOURCES

ATOMIC POWER for industrial and consumer use is becoming a brighter prospect. The President and the National Security Council have approved and sent to the Joint Congressional Committee on Atomic Energy, a proposal which would change the Atomic Energy Act to authorize the Commission to sell, lease, or lend fissionable material to private concerns.

The development of atomic power for peaceful application will be brought about more quickly when Congress approves a joint government-industry program. Groups of chemical companies and electric utilities have put considerable effort into studies on the development of reactors.

Hearings before the Joint Committee on Atomic Energy, under Chairman W. Sterling Cole (R., N. Y.), will bring the whole question of security, safety, and the public interest into the open.

TAXATION

PLANS for thorough study of federal-state-local tax relationships almost came a cropper in Congress, and the way isn't entirely clear even now. President Eisenhower, in proposing establishment

of a Commission on Intergovernmental Relations, stressed overlapping tax sources and reallocation of functions, but the original Taft-Halleck bills to set up the Commission defined its duties entirely in terms of federal grants-in-aid. After hearing protests from a wide range of interested groups, the Senate Committee on Government Operations broadened the Taft bill to include "the sources of financing of governmental programs."

The House Ways and Means Committee is scheduling hearings on revision of the Internal Revenue Code to begin June 16. Major tax revision may come in 1954.

TRANSPORTATION

SIGNS from Washington point to less federal participation in transport promotion and more reliance on state, local and private responsibility and initiative. New federal projects will be scarce and old ones re-examined.

Encouragement of private initiative in transport development, proper balance between federal and state responsibilities and a minimum of government participation have been listed by Robert B. Murray, Jr., Under Secretary of Commerce for Transportation, among the basic principles in this field. All transport fields are to be affected:

Airports—Federal aid for airport construction is to be re-evaluated.

Air Navigation Aids—Re-examination is promised in line with the need for a balanced budget.

Shipbuilding—Federal funds to aid in the construction of five new ships probably will be eliminated, in line with the new Administration's policy to encourage private financing.

Highways—A study is under way to review federal responsibility in financing highway construction and to determine if the states should assume a greater share.

Rivers and Harbors—These functions are slated for a sharp cut in appropriations, a halt to new projects and a thorough reappraisal of existing projects.



Tracy Suparman

WHEN the sales conference in my office ended, I asked Harry Bregg to stay for some personal talk. I knew he'd be going to Hanford College to attend his son's commencement on June 17. I intended to go, too, not only for the commencement but for the class reunion which was to follow—our twenty-fifth. Harry Bregg and I had been graduated from Hanford just a quarter of a century ago.

I invited him to drive down and back with my wife and me, but he shook his head. "Thanks, Steve," he said. "I won't be staying for the reunion."

I said, "What kind of talk is that? Why not?"

Harry looked uncomfortable. He was one of the sweetest guys I'd ever known—quiet and friendly and warmhearted; a medium-sized man with thick hair that was turning gray. There was nobody I knew more intimately or liked better. We had come into the firm of Welby & Starch together right after college, and we had been together ever since. And because we were so close I couldn't understand why he should want to pass up the reunion.

He looked at his hands. "The truth is, Steve, I—well, I want to save myself embarrassment."

"This," I said, "I don't get at all."

He smiled in a vague way. "Let's face it," he said. "Who are the men who attend reunions? Only the fellows who've gone places. The fellows who've got something to talk about. Me—" he shrugged. "Where've I got?"

"Don't be ridiculous," I said. "Where've I got?"

"You're general manager of Welby & Starch. That's something. I'm just an accountant. There's a difference." He went to the window, put his hands into his jacket pockets, looked away at the sky.

"Steve," he said, "I've never kidded myself about this. Some guys have a—a spark. Call it enterprise, energy, guts. Whatever it is, it's what makes them bank presidents and senators and corporation executives. Me, I—I just wasn't around when it was handed out." He turned and gave me that wan smile again. "So why should I go listen to a lot of reunion rah-rahs

After awhile Harry replied,

"Naturally, I—I've always wanted

him to turn out better

than his old man." And then

the letter came

Some men get nowhere

By OSCAR SCHISGALL

who'll brag their heads off? I'd rather come home."

I leaned forward on my desk, and suddenly I was angry.

"Quit talking like that!" I said. "You're no flop! You know why you're not a top executive today? I can tell you! Ann and I have talked about it a hundred times. Because instead of pushing yourself, the way other guys do, you've poured all your energies into your kid!"

Harry was thoughtful. After a while he said, "Naturally, I—I've always wanted him to turn out better than his old man." And he added, "Sort of tried to—to give him the spark—"

I sat looking at Harry, remembering things. How he had spent night after night with his son Bill, tutoring him, until in the end he had lifted Bill to the top of his high school class—and had kept him there.

And I remembered how young Bill had considered himself too small and slight for athletics—only to have Harry persuade him to go out for teams, practicing harder than any other boy. I remembered the basket Harry had rigged up in his back yard, and the long Saturday hours he'd spent there with Bill—and how Bill had wound up as captain and high scorer of the school's basketball team.

YES, I remembered many things like that. When his wife, Marian, had died 15 years ago, Harry had turned completely to his boy. Ann and I had often marveled at the fine job he had done. But it was one thing to build up your son with devotion; it was quite another to feel you were doing it to compensate for your own failure in life.

I started to protest again. But Harry Bregg turned away, saying, "No, thanks, Steve, I'll skip the reunion."

For days I tried to find arguments which would change Harry's attitude. It was dismaying to realize that he looked on his life as having got nowhere. It gnawed away at me. No man ought to carry a burden like that. Because I was so fond of him, I felt frustrated and worried. There ought to be *something* I could say or do. The truth was I now wanted him to attend the reunion as an assertion of his self-respect. I saw it as a kind of moral issue.

But how can you change a man's feelings about himself?

Ann and I often had him to dinner. We did our best. I even pleaded that without him around the reunion would be flat for me.

It did no good. In the end, a

week before the seventeenth, I felt beaten. There was nothing more I could do.

Then, on this particular morning, I came into his office to find him staring at a letter. He seemed strained, and I asked what was wrong.

He glanced up at me, hesitating. His hand was unsteady as he gave me the letter. "From—from Bill," he said. "Read it."

The note was hastily scribbled, all on one page. I read:

Dear Dad,

I've got only a few minutes. But I want to get this news off to you. The class just held elections, and what title do you think it pinned on me? "Man Most Likely To Succeed!"

Me—man most likely to succeed! What do you think of that?

I'd like to be modest about it, but I can't. I've a feeling we can show them they were right—if you'll stand by me as you always have, Dad. They may not realize it, but it's *you* they really elected. I've never kidded myself. Without you I'd never have got such a compliment.

This is just a quickie to pass along the news and to say thanks.

Believe me, I appreciate everything you've done.

Love,

Bill.

Harry was staring at nothing. I put a hand on his shoulder. "Harry, this—this is wonderful," I said. For some reason I felt choked up. "You ought to be very proud." Then I said, "Don't ever give me that stuff again about feeling like a flop."

Harry looked up at me.

"Plain nonsense," I said. "Would you call Lincoln's father a flop? Or Edison's? Or the father of any big man? Harry—" I put the letter down and tapped a finger on it. "You did *this*!"

Harry Bregg stared at the letter. I could see the light in his eyes shine brighter and brighter. I could almost see him expand, assume new stature.

There must have been joy rising in him, and a sense of personal achievement.

"Harry," I said, "if I had a thing like this in my heart I'd want to— to shout it to the world."

He had risen, and somehow he looked taller. He gave me a wonderful smile. "Know something?" he said. "Think I—I'll stay for that reunion after all." **END**

**When Going, Going
Really Means Gone**



IN New Haven, Conn., a "going-out-of-business sale" means that a firm is actually going out of business—but definitely.

The Board of Aldermen has adopted an ordinance requiring a license for such a sale to be obtained, oddly enough, from the chief of police. To get the license a merchant has to submit a list of every item he has in stock.

In addition, a time limit is set for the sale. Merchants are encouraged to complete the sale as quickly as possible. For a period not exceeding 15 days, the license fee is \$25. Up to 30 days, the fee is \$50.

An extension is possible, if all the merchandise has not been sold, but any extension is not to exceed a month. To discourage extensions, however, a new list of merchandise on hand has to be submitted and a fee of \$25 is charged for each additional day in business.

Incidentally, the law provides that each article sold that is not listed on the inventory given to the chief of police is considered a separate offense.

In New Haven, when you have a going-out-of-business sale, you actually go out of business!—HAROLD HELFER

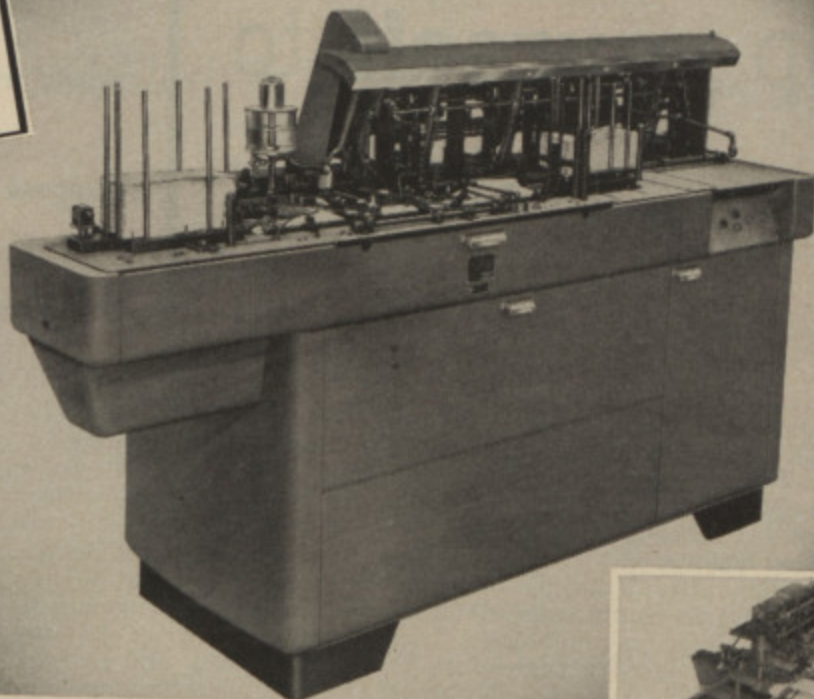
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| ★ 3 INSERTS ENCLOSURES IN ENVELOPES. | ★ 6 COUNTS PIECES. |
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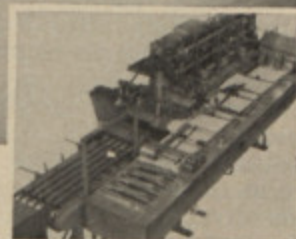
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Help **yourself** to stability

The plans you make now—while the economy is running at full speed—could mean the difference between success and disaster in a downturn

By MERRYLE STANLEY RUKEYSER

THE NEXT economic setback—if we are destined to have another—will have had more advance billing than most any other phenomenon in American history.

Immediately after V-J Day in 1945 the official economic seers of the "Fair Deal" began to herald the coming of a severe contraction in business.

Still, these prophets of doom might have been right if business executives had not been on their toes to deal with maladjustments, disparities and accumulated inefficiencies in their own bailiwicks. Together, their piecemeal remedial efforts strengthened the national economy. They included series of corrections, industry by industry, in such fields as textiles, apparel, radios, television sets and other household electrical appliances.

The clear lesson from this is that the way to promote good times is to deal early with maladjustments, instead of pretending that all's well.

Practical businessmen, feeling that trouble is not foreordained, place their faith in forward-looking action, not in wishful thinking. This philosophy, as recently expressed by the United States Chamber of Commerce, is that "the way for business and industry to lessen trouble ahead is to institute now a continuing program designed to expand and maintain jobs, markets and production."

This approach recognizes the inevitability of fluctuations resulting from shifts in consumer taste, in technology, and in government policy. It is based on the faith that "our economic fate is directly in our hands—collectively and individually."

Management recognizes that survival and progress depend on continuous adjustment to change. The objective is to manage our way

through intelligent preventive action. The real danger will come when and if business executives get an unwarranted sense of invulnerability from the long persistence of good times.

The task of early adjustment to change should be carried on concurrently by business and government. Only confusion results from passing the buck from one to another.

In this two-part effort by business and government to achieve a constructive future, the businessman's role breaks down into the following suggestions:

First, don't become overburdened with debt in boom times. It's the best way to avoid trouble and to be able to take advantage of investment opportunities in periods of recession.

Short-term bank loans might be funded into longer maturities. This could be done, in part, by replacing ordinary bank loans with longer-term obligations.

Where it is possible to sell stock on attractive terms, doing so would tend to improve the capital structure and heighten the capacity of a company to survive any financial squalls.

It should not be overlooked that many setbacks have resulted from the bursting of a credit balloon.

Accordingly, the prudent manager, in planning a corporate capital structure, especially as it bears on liquidity and availability of working capital, hopes for the best, but is prepared for temporary rough going. Incidentally, Franklin D. Roosevelt, then President, early put the spotlight on the desirability of equity, or stock, financing in order to enable corporations to survive temporary depressions. At the same time, however, his own federal corporate in-

come tax policy with high tax levies militated against the recommendations which he and his administrators made for improving the corporate capital structure through decreasing the ratio of debt to stock.

The manner in which the corporate income tax was administered went precisely in the opposite direction and put a virtual subsidy on bond financing. For corporations are permitted to deduct the interest paid on their bonds as a cost before computing net taxable income. But, if the capital for tools and other corporate facilities is provided through stocks instead of bonds, the tax law permits no such deduction for the cost of capital.

The practical effect is to distort the judgment of corporate executives and investment bankers in favor of bond financing.

Second, check terms of consumer credit and charge accounts. Deal promptly with delinquencies.

Despite the big volume of total consumer credit, there is no sign that the supply of funds is running out.

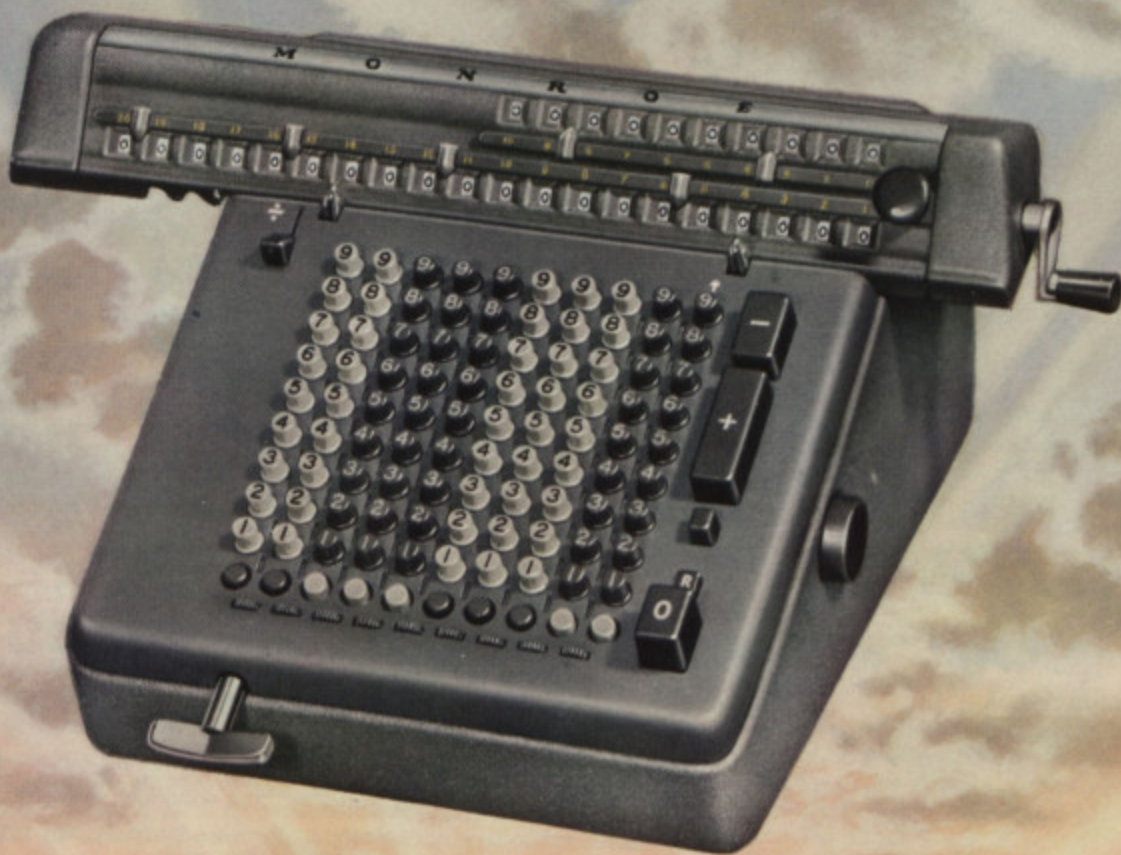
Federal Reserve officials have expressed concern, however, over the persistent rapid growth in private indebtedness, notably in consumer and mortgage debt, which by the last quarter of 1952 had risen 14 per cent above the figure a year previous. Such debt has been climbing continuously for seven years. The recent total of consumer debt was five times as large as it was in 1943 when war restrictions held it down. This total is two and a half times the prewar sum, six and a half times the depression low, and three and a half times the level at the end of 1929.

But the ratio of consumer credit to disposable personal income has varied little in the past three years

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A Local, Independent Business

and is lower than at the end of 1940. It stands at 9.6 per cent, compared with 7.6 per cent at the end of 1929.

Thus the consumer credit situation probably won't cause an adverse turn in the economy. Rather, when and if deterioration is permitted to occur as a result of other influences, this factor, as a weak point, could spiral the difficulties.

In the past consumer credit has fluctuated with business activity, conforming to the trend rather than causing it.

Incidentally, a moderate decline in the quality of credit habits was recently disclosed by the Credit Research Foundation. Its study showed that the percentage of accounts discounting or paying their trade invoices when due showed a slight drop late in 1952 as compared with the year previous.

Third, limit your exposure to risk and uncertainty whenever possible. Specifically, this can be done through avoiding the temptation to speculate in raw materials and in an excess supply of finished products. Whenever the facilities are available, make hedging operations. This will put you in the business of processing and distributing goods rather than trying to guess what price fluctuations may be coming.

Fourth, if involved in war orders, formulate a blueprint for prompt reconversion to civilian products as a means of employing manpower and tools released when armament production tapers off.

Fifth, encourage an aggressive research and exploration staff. A major study of big business by the Brookings Institution showed that during a 40-year period, 205 companies were included one or more times among the 100 largest industrial giants. Brookings concludes that "what makes positions on the plateau of business giants so insecure is mainly the pressure toward innovation in product and market development."

If technology remains static, the specter of overproduction becomes a serious threat. But the hope for high productivity lies in the dynamic trend of adding new and better products to the kit of the typical American family. It's the improvement factor, plus the population growth trend, which historically has lifted business each time out of temporary slumps.

Sixth, cultivate the art of selling. This will become increasingly im-

portant as business becomes more competitive after the rearmament peak.

The creative way to keep down the specter of overproduction is through forehandedly putting more accent on the art of selling. Unless the supply and demand outlook is unexpectedly changed by total war, the prospect is for adequate quantities of goods.

Like the business community, the Government also has an important part to play in creating a favorable environment in which business and its customers can operate.

First, by putting its own economic house in order, through prudent fiscal and monetary policies, Government can relieve business of the hazards of a deteriorating currency and reduce excessive taxation.

Reliance on economic narcotics, instead of sound hygiene, is fraught with danger. Inflation may temporarily give a lift to the economy. But inflation is not a permanent way of life. It always has a terminal date which occurs when the unsophisticated belatedly recognize what has been done to impair their money.

Cynics used to say that an administration using inflation as a weapon wouldn't be repudiated at the polls until a collapse occurred. But last Nov. 4, a majority of the voters asked for a change at a time of full employment and boom.

While it may seem tempting for the new incumbents in the nation's capital to go the easiest way, they should not overlook their mandate to "end the mess." Economically, sound money and a balanced budget, while depriving the national economy of momentary inflationary stimulus, would provide a foundation of long-term stability and confidence.

The hope of progress rests on the management philosophy which stresses that creative foresight can obviate stresses and strains. Management takes its cue from Napoleon who remarked: "Circumstances! I make circumstances."

Oddly enough, as a preventive against indiscriminate optimism, even the dour prophets of doom—who happily are usually wrong—can, perhaps unwittingly, play a socially useful role. They may alert responsible executives to make sure their own corporate economic house is in order, and thus contribute to an improvement in the condition of the national economy.

One chronic pessimist, who sells his doomsday predictions to sub-

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scribers, dramatizes potential weaknesses by dwelling on such potential peril points as excessive use of credit in accumulation of high-priced inventories and excess productive capacity.

If executives merely laugh away such admonitions, they may help to make his dream of tragedy come true. The best way to make his predictions fall of fulfillment is for operating management, in response to criticism, continuously to scrutinize its own business practices in advance with pitiless realism.

THE best chance of continuing high-level business activity lies in detecting and correcting weak spots, not in fostering the delusion that new social institutional changes such as Social Security, and the advent of the Eisenhower Administration, constitute a guarantee—in the words of a once-popular song—that “It Ain’t Gonna Rain No More.”

Such a view that prosperity had become eternal was widely circulated between 1927-29. Then, even so discerning an industrialist as Clarence M. Woolley, affected by the prevailing psychology, opined that “the business cycle had been adjourned.”

In the Gay ‘Twenties, the depression-proof theory rested on America’s capacity for growth, with the peak of each boom being higher than that of the previous one.

Then a “new era” was predicated on recognition that productivity had been rising at the rate of at least 2½ per cent, compounded annually.

But those who wanted immediately to discount the millennium in stock prices overlooked the simple fact that once in a while this country stumbles, and takes a step backwards before taking two steps forward.

After the panic of Oct. 29, 1929, the economic sophists, victims of prevailing emotions, repeated the earlier errors in reverse through excessive and unwarranted pessimism. They incorrectly interpreted the “step backward” as the end of the national adventure in better living. In defending their irrational thesis, they falsely assumed that short-term adverse trends, such as the falling off in births, represented a new permanent condition. And then they drew a straight statistical line from this mistaken premise to a preconceived gloomy conclusion, which was unwarranted. For in the past dozen years, the baby crop has been

vastly above the long-term expectations. Now this new-sized baby crop is deemed normal, though it may indeed be a reflection of current economic conditions of full employment and boom.

It is always unpopular to attack widely held popular delusions. Thus in August, 1929, Marcus Nadler, New York University economist, in an address in New York before a group of cotton textile merchants, brought on his head a storm of protest when he mildly called attention to some clouds forming on the economic horizon. The program chairman was attacked for sponsoring a pessimist. To make amends, he invited Irving Fisher, Yale economist, the following month. Professor Fisher sounded a more popular note, assuring the businessmen that the country was on a new high plateau, on which long-term future com-

“Government should provide only those services which cannot logically or economically be provided by other means, and governmental regulation of business should be only that necessary to insure honest and ethical procedures.”

—Leland I. Doan

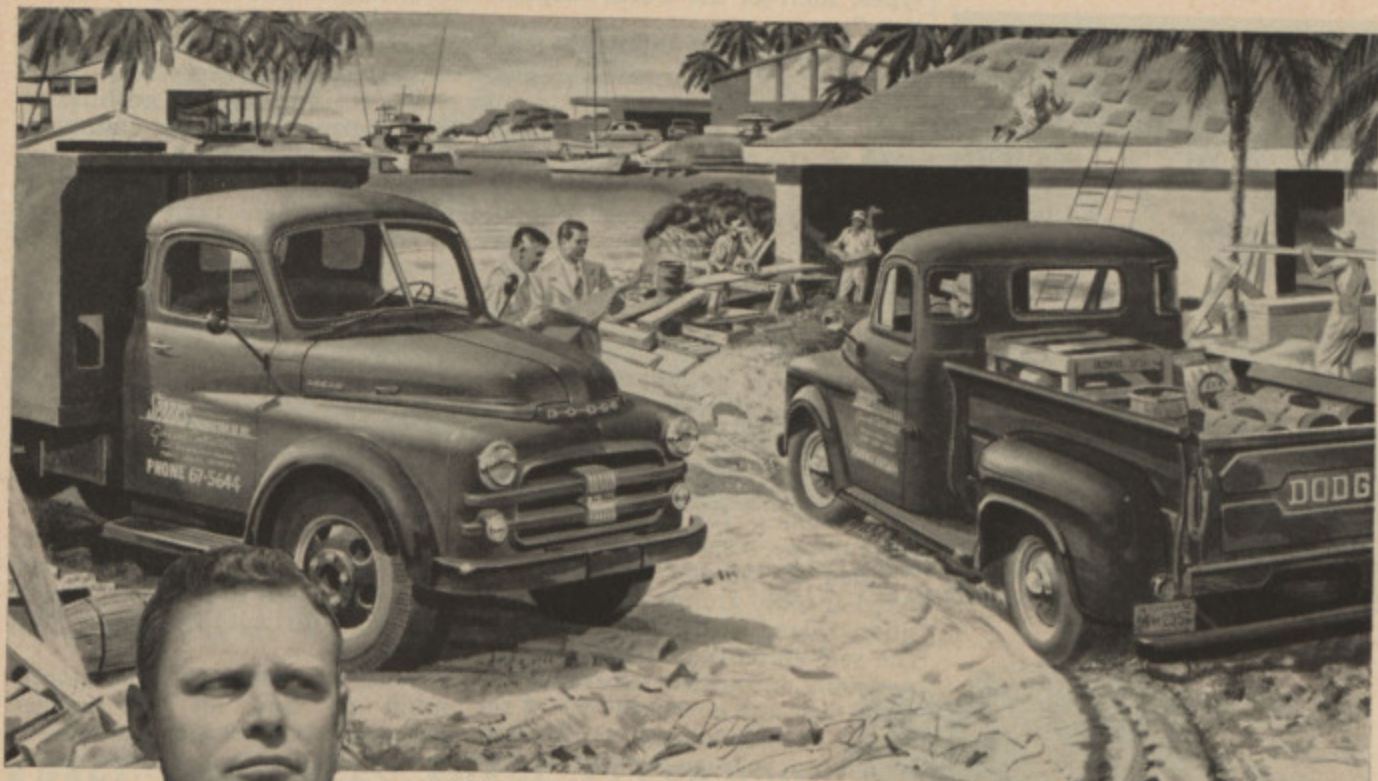
mitments could be safely made. Mr. Fisher was greeted with thunderous applause. The program chairman was once more in good graces. Yet barely a month later the panic occurred.

Of course, the activators of our economic life—the creative managers of industry—can’t get much inspiration out of pessimism. In measuring risks and opportunities they should strive to avoid the excesses of both pessimism and optimism. Their useful mental tool is realism.

There was a time when wise-crackers wanted optimism from the sales staff and pessimism from the credit department. But this distinction no longer holds. Even the credit manager is expected to be salesminded.

If economic knowledge is indeed to be an energizer and not an inhibitor, it is essential for men in management to know that it is their assignment to make decisions on the basis of probabilities, not certainties. The executive, who sits on the fence in the hope of avoiding risk, gets nowhere.

Of course, thinking about the future is sometimes blurred by widely circulated verbal stereo-



Painting above shows on-the-scene operation of B-4 Dodge trucks owned by Sparks Construction Co., Coral Gables, Fla.

**"For lower gas and upkeep costs,
I say 'try Dodge!'"**

declares **W. H. SPARKS,**
president, Sparks Construction Company, Inc., Coral Gables, Florida

"We could hardly believe it, but our first Dodge truck gave us double the gas mileage of the truck it replaced. It also did away with a lot of bothersome and costly engine troubles.

"Our latest Dodge is a new pick-up and we like everything about it. It's smooth-riding, comfortable and easy to handle. You just can't beat the way it eases through traffic. Vision is wonderful and with plenty of power under that hood, you can take full advantage of breaks in traffic and save a lot of time.

"To anyone who really wants to save money on trucks . . . with lower gas and upkeep costs . . . I say 'Try Dodge!' Because we are sold on Dodge, we don't hesitate for a second to recommend Dodge trucks to others."

Everywhere, you'll find Dodge truck owners who are enthusiastic about Dodge economy and power. Learn why a Dodge "Job-Rated" truck will do your job better. See your friendly Dodge dealer.



NEW DODGE "Job-Rated" TRUCKS GIVE YOU STILL MORE FOR YOUR DOLLAR!

Smart new panels! 100-h.p. engine assures stepped-up deliveries with stepped-down costs! Biggest load space of any popular panel . . . 155 cu. ft. . . means more payload per trip. New, no-shift Truck-o-matic transmission with glycol Fluid Drive makes driving effortless, fatigue-free. Available on 1/2-, 3/4-ton trucks.

Big, powerful stakes! Rugged Dodge stakes are your kind of trucks . . . tough, dependable, with new supersafe brakes and more maneuverability than the other leading makes have. As for power, Dodge sets the pace with 7 husky engines, 3 of them all-new, and 100 to 171 h.p. There's a new Dodge truck to fit your job!

SAVE MONEY EVERY MILE WITH . . .

DODGE "Job-Rated" TRUCKS

How to get **MORE WORKING MINUTES per hour!**



Don't walk-TALK with Executone intercom!

No need to waste time shuffling between offices for information and instructions. Just push a button and talk! Walking time becomes *working* time. Telephone lines are kept open for outside calls; roving employees are located *immediately*! Production is increased, costs are cut. Installations in every type of business and organization *prove* that Executone pays for itself many times over.

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INTERCOM SYSTEMS

EXECUTONE, INC., Dept. F-2
415 Lexington Ave., New York 17, N.Y.

Without obligation, send booklet describing how Executone helps cut costs. I am particularly interested in:

- ☐ Inter-office communication
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In Canada—331 Bartlett Ave., Toronto

types, such as the word, "depression."

Thus, as pointed out, the unwillingness of active management passively to let postwar readjustment bring dire results prevented fulfillment of the 1945 official forecasts of trouble.

Businessmen can grasp the interrelation of governmental policies, including fiscal matters, on sales prospects if they think in concrete terms of market surveys. Specifically, one of the deteriorating factors on the economic scene in the postwar years has been the progress made in overcoming of shortages and the fulfillment of pent-up demand for goods.

In looking for markets which have not been saturated, the sales-minded should not skip over the fixed-income groups at home—the unorganized white-collar workers, the self-employed, those living on pensions, annuities, insurance remittances and bond interest. A reversal of inflationary tendencies, which up to now victimized the fixed-income groups, would improve the buying power of this substantial minority.

There are also, of course, accumulated shortages and a pent-up demand on the domestic scene, in the realm of nonemergency public works, including the construction of highways, schools, libraries and other projects, which were deferred by abnormal factors of war and inflation.

AS FOR the other stilts on which the boom up to now has rested—such as peak construction of dwellings and of capital expenditures by industry, there is hope that they can continue on the present high level for another year or so. But few expect any substantial near-term increment from these sources.

In reviewing the various causes of a lack of economic balance, sometimes characterized as a depression or a recession, such as unwise use of credit, disturbed price relationships, or international complications, there are also long-term technological changes continuously at work. The electric trolley outmodes the horse car, and the bus supersedes the street car. The hydrogen bomb makes the atomic explosion seem weak. The jet engine raises eyebrows concerning the future of the rotating engine.

The businessman, as a patron of applied research, is the great up-setter on the contemporary scene. He is perpetually dissatisfied with existing products, tools, and production techniques. He is forever

financing efforts for improvement. Thus, instead of being a reactionary, as falsely charged, the modern executive is a progressive influence. He knows that nothing in life is permanent except change.

Instead of being flabbergasted when new and better ideas prevail, the prudent man has set up in advance, in his depreciation account, reserves against this factor of obsolescence—or falling behind in the parade of progress.

This aging process of men and machines is not looked upon as a tragedy, but as one of the essential facts of life. This type of change makes business a dynamic adventure, not a set and routine experience.

The late George Horace Lorimer, then editor of the *Saturday Evening Post*, used to remark: "There are no dull subjects—only dull writers."

Thus the immature sophomore mind on and off the college campus, which thinks business is tame stuff, is either uninformed or unimaginative.

BUSINESS brings together all the arts and sciences on the moving belt of products and services which exemplify the right of the lord and master of the American economic system—the customer—to exercise free choice as to the road to a better life.

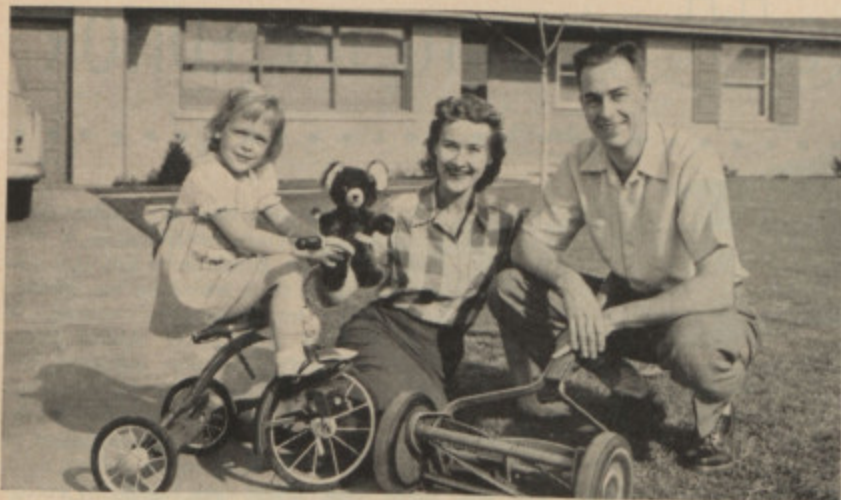
Business is the productive side of contemporary society, and among other things it provides the means of payment for the cost of Government.

Thus, instead of relying on pump-priming and other inflationary schemes as an offset to depressing influences, Government might help by reducing the burdens it imposes on industry. It would be something akin to the feeling of the man who liked to wear tight shoes. His explanation was that it felt so good when he took them off.

Well, the Eisenhower Administration should give thought to a schedule for removing tight shoes from business. Obviously, the effect at a time when activity may begin to lag will be different than in an interlude when the national economy may be overstimulated, with men and machines fully occupied.

Thus, to the extent that economic trends are man-made, practical wisdom and foresight and some planned leeway for contingencies can again make monkeys of the prophets of doom who underestimate man's capacity to overcome obstacles.

END



"A FAMILY MAN ALWAYS NEEDS CREDIT", says accountant M. J. Lambert. He has paid for many household furnishings and a car with credit union loans which cost him less than carrying charges or other financing. In addition he is protected by life insurance when he borrows from his credit union. If anything should happen to him before he could pay it back, that insurance would pay off his loan.



"OUR CREDIT UNION helps me save", says Nellie Vachunas. "You want to save all you can, too, for the dividends are good". Credit union savings pay better returns than most other kinds. Members may have life insurance equal to savings up to \$1000.

KRAFT EMPLOYEES SHARE \$1,650,000 IN SELF-MADE SECURITY

The men and women of Kraft Foods operate their own credit unions. They benefit from profitable savings and low-cost loans. The company regards this as its most valuable employee activity.



CREDIT UNION DEPOSITORS at Kraft's Chicago plant. Assets of Kraft's 11 credit unions are over \$1,650,000. Credit unions in plants and offices save employee time. More than 16,000 credit unions now serve over 7,000,000 Americans in churches, clubs and communities, as well as in employee groups.



"OUR CREDIT UNIONS have been of great material benefit to both the employees and the company", says J. H. Kraft, Chairman of Board of Directors. "They help employees in times of distress, promote thrift and contribute to employees' morale".



BOARD OF DIRECTORS of the credit union is elected by and acts for the members. The credit union operates at no expense to the company. A wonderful spirit of wanting to help each other prevails in all credit unions. Employees are happier, more efficient workers and less prone to accidents and absenteeism.

CLIP AND MAIL

Dept. NB-4, Credit Union, Madison 1, Wis.
Please send me, without cost, complete information on organizing a credit union.

NAME _____

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THIS IS FOR YOU. If you are an *employee* of a company with 50 or more people, you can become a credit union member by joining with your friends at work. If you are an *employer*, encourage the formation of a credit union in your plant or office. Cut out and mail this coupon now. You'll get full information on how to join or help start a credit union.

Sure way to cut your paper-work costs



Take full advantage of your photocopy machine and you'll eliminate hours of costly manual transcription, re-typing, proofreading. And those mistakes, too, which somehow slip by.

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It will pay you, *definitely*, to double check all your paper-work routines now.



For the best photocopies use **Kodagraph Contact Paper**. This new paper is made by Kodak for use in all types of contact photocopiers. It reproduces documents in dense photographic blacks, clean whites . . . with new sparkle and legibility. And it's easier, more economical to use—no more split-second timing or trial-and-error testing. *Order it . . . and see for yourself.*

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Letters TO THE EDITOR

Slanted tests

Your paragraphs beginning "Ideological die-hards give new administrators hard time . . ." on page 11 of the April, 1953, issue of *NATION'S BUSINESS* struck me with no new alarm. Last April when I took a civil service examination for civil service investigator, I was astonished and angered by the *slanted* multiple choice questions. I know exactly what those enlightening paragraphs in your fine magazine mean and frankly I wish those responsible for such biased tests as a criteria for selecting government workers could be removed from the civil service protection that has encircled them during the past 20 years.

DOROTHY A. CLARKE
Washington, D. C.

Let's be like Thoreau!

Since reading Felix Morley's editorial about Thoreau in the April number, I think the nation, indeed the whole of the world, would be much better off if it could be brought to practice the simplicity that underlay Thoreau's whole philosophy.

JAMES H. W. ALTHOUSE
Philadelphia, Pennsylvania

Point Four

Since I represent several taxpayers who are vitally interested in the point you raise in "Point Four Corporations," I shall greatly appreciate your wiring me the name of the member of the American Bar Association who has made informal representations to the Treasury Department on the issue.

B. H. BARTHOLOW
New York, New York

I had occasion to use the article "Point Four Corporations" in connection with some remarks I made on the Senate floor. . . .

SENATOR GEORGE SMATHERS
Washington, D. C.

I have received many letters and telephone calls from business and tax leaders on "Point Four Corporations." . . . Apparently the mere publication has given quite an impetus to expanding this tax favor to all American businesses with subsidiaries located outside the United States.

TRIS COFFIN
Washington, D. C.

The Army way

We have read "Electronics—Too Tough for G.I.'s?" by Richards W. Cotton in *NATION'S BUSINESS* and heartily commend its excellent presentation.

A boy in whom I am much interested, after graduating from high school in

1951, realizing the need for trained electronics' technicians, enrolled as a student in Radio Electronics Institute in Philadelphia, from which he was graduated after an 18-months' course, in February of this year. About three weeks thereafter, he was inducted into the Army and assigned to Airborne Infantry! He has been told by Army personnel that there is no possibility of transfer to any work in his chosen field. Thus, apparently, does the Army recognize the need which you have so clearly defined!

CAROLINE K. KENWORTHY
Philadelphia, Pennsylvania

The Air Force way

My son enlisted in the Air Force in Feb., 1951. After basic training, he was sent to Radio School at Scott AFB, Belleville, Ill. He was told that if he were in the upper 20 per cent of his class, he could apply for advanced schooling. He was fourth highest in his class when he graduated, and was then sent to Korea. . . . Yes, he's an instructor now—and has the same rank as when he finished basic training: A/3C—the Air Force equivalent of PFC.

There's not much in the way of encouragement here to induce a young man to re-enlist, do you think?

ELWOOD C. OSLER
Mt. Ephraim, N. J.

The Navy way

. . . from serving in the Navy during World War II I became familiar with many phases of the Navy's electronics program and problems. I believe one of the biggest drawbacks to an efficient technician program was the fact that seldom did a communications officer have the necessary ability to diagnose or repair anything himself.

A. W. POWELL
Black River Falls, Wis.

Port authorities

PLEASE AIR MAIL TODAY SIX COPIES OF COLLIE SMALL'S ARTICLE ON "PORT AUTHORITIES: GOOD OR BAD."

FRANK ADAMS
Wilmington, North Carolina

Liked Army corn fritters

I noticed your comment in "By My Way" in the April issue regarding the Army ex who wanted his wife to make Yankee bean soup like he had in the Army.

Having served in the A.E.F. 1917-18-19, I partook of corn fritters which even now leave their taste in my imagination.
(Continued on page 60)



CANADIAN PLANT SITE

for sale

in the
fast-growing
Sarnia, Ontario area

An important new industrial development centers around the neighboring cities of Port Huron, Michigan, on the U.S. side, and Sarnia, Ontario, on the Canadian side, of the St. Clair River. Its advantages include exceptional facilities for shipping by rail or water to all parts of Canada or the U.S.

One plot is at Courtright, 12 miles south of Sarnia. It contains 132 acres, level and well drained. It has an 800 foot frontage on the St. Clair River and extends across Ontario Highway 40 and the C&O tracks. It has an unlimited supply of excellent water. Natural gas is available and electricity is supplied by the Hydro Electric Power Commission of Ontario. This desirable site could be subdivided to accommodate several smaller plants.

Let us send you
a confidential
"Pin-Point" survey

on this attractive Courtright site.
Or, if this plot is not just what you
are looking for, tell us what you want
and we'll find it for you.

Write to the Chesapeake and Ohio
Railway Industrial Development
Office nearest you.

Terminal Tower, Cleveland 1, Ohio
General Motors Building, Detroit, Michigan
Chesapeake and Ohio Building, Huntington, W. Va.

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OPPORTUNITY

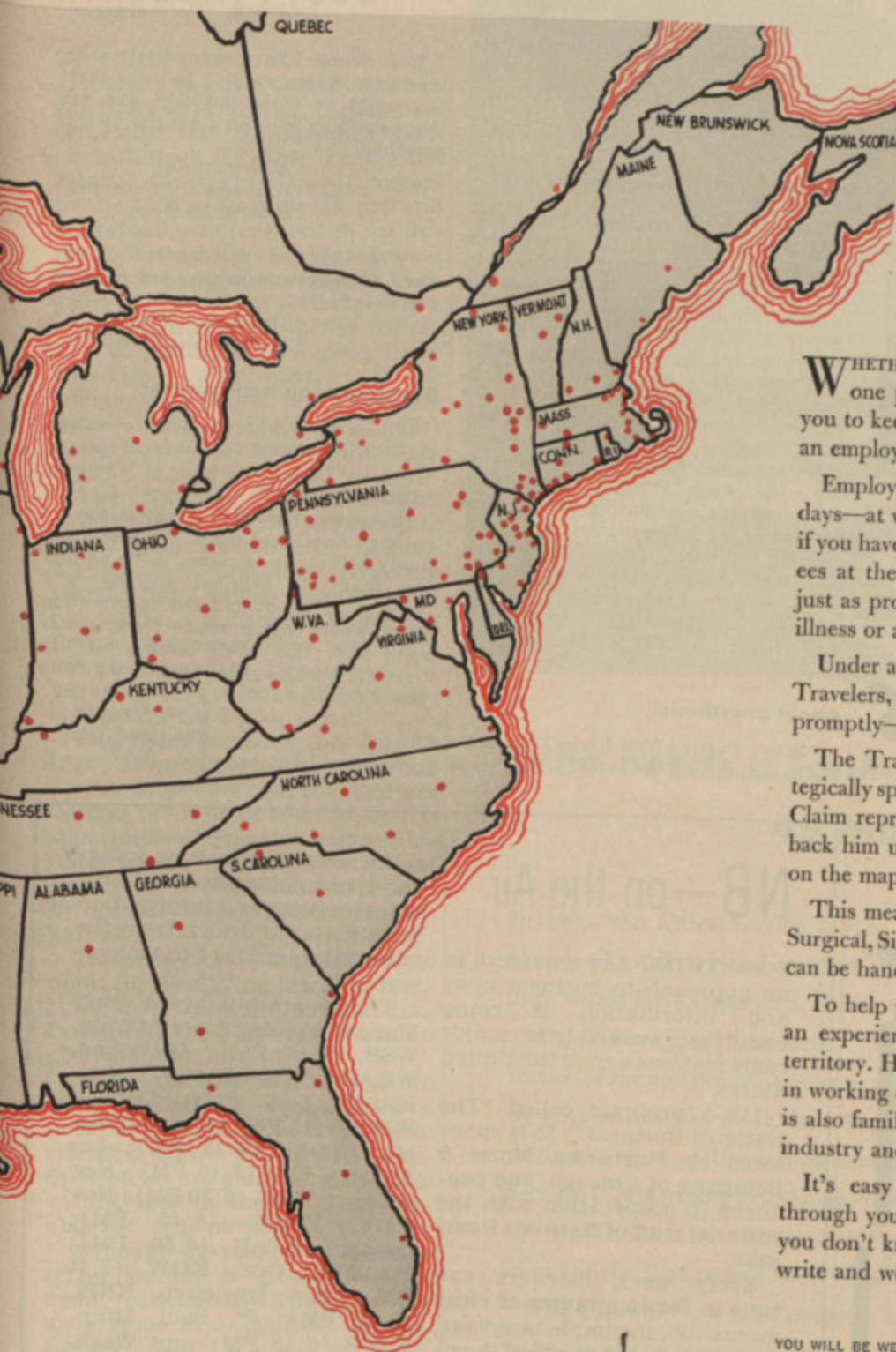
Chesapeake and Ohio Railway

SERVING: VIRGINIA • WEST VIRGINIA • KENTUCKY • OHIO
INDIANA • MICHIGAN • SOUTHERN ONTARIO

He is never far away



from ANY point on the map



WHETHER your organization is concentrated in one place or scattered all over, it will pay you to keep geography in mind when setting up an employee benefit plan.

Employees travel around more than ever these days—at work and on vacation. And, of course, if you have scattered branches or plants, employees at the remotest location must be cared for just as promptly as those at headquarters when illness or accident strikes.

Under a plan set up and administered by The Travelers, your employees can be cared for promptly—wherever they happen to be.

The Travelers has 235 Claim locations strategically spread over the continent. So a Travelers Claim representative—with an adequate staff to back him up—is never far away from any point on the map.

This means that Group Life, Hospitalization, Surgical, Sickness, and Accident insurance claims can be handled *locally* and paid *promptly*.

To help you set up your benefit plan there is an experienced Travelers Group man in your territory. He will save you a lot of valuable time in working out the details of administration. He is also familiar with what is being done in your industry and in your part of the country.

It's easy to reach a Travelers Group man through your local Travelers agent or broker. If you don't know the Travelers man nearest you, write and we'll send you his name and address.

YOU WILL BE WELL SERVED BY

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ON ALL FORMS OF EMPLOYEE INSURANCE



Reduce capital "ON THE SHELF"



with TELEGRAMS

No need to tie up cash in excessive inventory. Keep stocks tuned to customer-demand level the modern, fast-moving way. Order goods by Telegram!

Here's how Telegrams do the job!

WESTERN UNION

AVOIDS CASH TIE-UP

BY ORDERING BY TELEGRAPH TO REPLENISH OUR STOCKS, WE ARE ABLE TO REDUCE OUR INVENTORIES, KEEPING THEM RELATIVELY LOW AND AVOIDING NEEDLESS TIE-UP OF CASH*.

WESTERN UNION

KEEPS STOCKS DOWN

WESTERN UNION TELEGRAMS HAVE HELPED US TO SERVE OUR CUSTOMERS PROPERLY, KEEP OUR STOCKS DOWN, THEREBY SAVING US MONEY AND INCREASING OUR VOLUME*.

*From letters in our files. Names given on request.

WESTERN UNION

(Continued from page 56)

I have never had such fritters since. I would not want to be awakened any more before sunrise to the call of the bugle but oh! those corn fritters. I was in the first Div. Squadron the 26th at Issoudun, France, with Eddie Rickenbacker, Quentin Roosevelt, the Stetson of Stetson fame (a son) etc. I transferred a bit here and there overseas but that 26th cook while I had him I would not hesitate to get a few recipes from him if he were about. So give the Army some credit.

JACK SKLAR
Brooklyn, New York

Dead past, early awakening

Each morning when I waken and plan my day I have on the list a letter to you regarding the piece by Mr. Folliard in the April issue. Does NATION'S BUSINESS have to help maintain the great myth? Certainly President Eisenhower has no interest in raking over the ashes of the dead past. They put him where he is. Certainly the historian 100 years hence who depends on official records will sustain the myth. I could go on for more pages than Mr. Folliard uses. That we had a leader who acted on the advice of the particular yes man of the moment has just as much basis in fact as the history Mr. Folliard is sure will be written. Now that I have that off my mind perhaps I won't waken so early.

CARL C. SITTLER
The Sittler Company
Chicago, Illinois

About anesthesia

"Who's Putting You Under?" by John K. Lagemann in the April, 1953, issue

of NATION'S BUSINESS is thoughtful and accurate from a professional point of view and should be most comprehensible and thought-provoking for a layman to study. . . . In my opinion, your article provides a real service both to the community in general and the advance of medicine.

DR. EDWARD ATKINSON
Greenville, Pennsylvania

Experiences I have had indicate anesthesia could be a racket. In some cases you could be right but who are you that you claim to be an authority on this question?

A. WILLIAMS
Williams Oil Company
Richey, Montana

"Who's Putting You Under?" in the April 1953 issue is great. Are reprints available?

DR. A. A. GOLDEN
Wilmington, Delaware

Eisenhower an iron hammer

Where did you get your information that "Eisenhower" in German means "Iron Ax"? (January issue of NATION'S BUSINESS.)

Of course, "hower," which is apparently an Anglicized spelling, means absolutely nothing in German. Even assuming that the original spelling was "hauer," I fail to find any information which would tend to support your statement that this word means "ax" in German. I shall appreciate hearing from you.

G. V. UTHOFF
Cleveland, Ohio

Not "ax," but hammer.—Ed.

NB—on the Air

SOMETHING new and fresh in an approach to business news and information is being broadcast weekly over major radio stations across the United States.

It's a program called "The Nation's Business." It is sponsored by Fairbanks, Morse & Company of Chicago, and produced in cooperation with the editorial staff of NATION'S BUSINESS.

Every week listeners can tune in for 15 minutes of clear discussion, in simple language, of situations that affect business as well as the business of living.

Not a rehash of the week's news, the program introduces topical discussions through different viewpoints . . . from questions by a housewife, by a

retail merchant, by a manufacturer, or a contractor, and provides answers and information from material drawn from the editorial columns of the magazine.

The program is heard every Monday evening from Atlanta, WSB (7:15 PM); Cleveland, WGAR (7:00 PM); Dallas, KRLD (6:30 PM); Detroit, WWJ (7:15 PM); Kansas City, Mo., WDAF (6:15 PM); Los Angeles, KFI (7:45 PM); New Orleans, WWL (6:30 PM); New York, WABC (6:45 PM); Omaha, KFAB (6:30 PM); Portland, Ore., KGW (7:15 PM); San Francisco, KNBC (7:15 PM); St. Paul, Minn., KSTP (6:15 PM) and Washington, D. C., WMAL (7:00 PM).

On Tuesdays, "The Nation's Business" can be heard from Boston, WBZ (8:15 PM); Chicago, WMAQ (7:15 PM); Cincinnati, WLW (7:15 PM), and St. Louis, Mo., KSD (7:15 PM).

this gym is a Museum Piece

TO MANY people, the word "Renaissance" means a period of art in the fifteenth century. Others may remember the "Renaissance" basketball team of New York City, famous for taking on all comers in the 1920's. Both fields, art and basketball, are featured in an imposing structure in Washington visited by millions of people each year—the National Gallery of Art.

Although famous for its collection of paintings, including those by Titian and others of the Renaissance period, few people are aware that a basketball court exists in the east wing of the main floor.

The National Gallery—often called the Mellon Gallery because of its famous benefactor, Andrew Mellon—is a limestone structure which has bronze doors, marble pillars, polished fumed-oak floors, damask-covered walls and two patio gardens. In contrast, the basketball court looks like a giant-size garret for a poor artist.

The room is about four stories high, its walls red brick, the ceiling a maze of girders. On the floor are designs of three badminton courts superimposed over the calligraphic pattern of a basketball court. At either end of the room, suspended by ordinary pipes, are the basketball nets.

The operation of this \$15,000,000 plant for displaying priceless treasures involves many unusual features. But the gymnasium was an afterthought.

When the museum opened in 1941, the guards, looking for a place to exercise as an antidote for standing guard in the quiet confines of an art gallery, found this vacant area in the building suitable for their purpose.

Although the room is used mainly for storage of museum equipment, occasionally employees get up a game of badminton or basketball.

As more art treasures come to the National Gallery, more space is needed to display them. Room by room, additional areas of the gallery are decorated and prepared for the exhibitions. In a few years the game room may become several rooms for the display of art.

—ISADORE J. PARKER



Who needs a Tanker

45 MILES LONG?

In 1952, the Cities Service tanker fleet transported 52,540,000 barrels of crude oil and product. To handle that cargo, in one load, would have required a tanker at least 45 miles long.

A ridiculous idea? Of course . . . but it provides a graphic illustration of the amount of petroleum products moved *on water alone*, by a *single company alone*, in a *single year*. It paints for the eye a picture of part of the tremendous job one oil company, Cities Service, is performing in its endeavor to produce, refine and market the world's finest petroleum products for the American consumer, in quantities that permit them to be priced within his easy reach.

The Cities Service Oil Company is proud to be one of the top members on the team of the American petroleum industry . . . an industry that is today doing the greatest job in its long and exciting history under handicaps greater than they ever were before.

An Important part of the American Oil Scene





WHEN YOU NEED A PRIVATE EYE

IF IT WEREN'T for the American businessman the majority of our 5,000 private detectives would be digging ditches, practicing law, repairing telephones or running grocery stores. Those happen to be the former occupations of some successful private "ops" I know.

Hollywood and television have built up the myth that private detectives are concerned primarily with outsmarting the cops on murder cases, getting information on some two-timing spouse or finding long-missing millionaires.

As it happens, private eyes really do handle cases like those but they wouldn't keep more than a few hundred operators in office rent. The other 4,500 detectives have to depend largely on cases given them by businessmen troubled by odd inventory shortages, inside thefts of special merchandise, unfair shenanigans by a competitor or the strange behavior of a hitherto trusted employee. Those are the bread, butter and occasional pie cases that enable the head of the average agency in the United States to clear approximately \$10,000 a year for himself on a \$20,000 gross business.

Private detectives long have been aware of their dependence for everyday cases on the average businessman. Yet it has only been in the past few years that any of them have embarked on aggressive sales campaigns to get business from businessmen. Today the largest of all the agencies, Pinkerton's National Detective Agency, has a regular staff of salesmen who call on businessmen in every large city where there is a Pinkerton agency.

A column in the Pinkerton house organ, "The Eye" is devoted to selling techniques. Another detective spends more than \$100 a week on direct mail solicitation of business. Among other gimmicks, he even answers every "Capital Offered" ad in the *New York Times* with a letter that begins:

"Intelligent businessmen get title insurance when they buy property but how many get 'investigation insurance' when they are thinking of investing their money in a stranger's enterprise?" This gets about one case a week.

The private op of fiction is always depicted as a wry, cynical individualist without blood relations and almost never encumbered by family or friendship ties. In practice, of course, a successful modern private detective is a family man who is likely to be quite a joiner.

But for all the new found salesmanship in the private detective business the average businessman is in a spot when he decides that he needs the help of a private detective, particularly if he's never used one before.

Probably he has never seen Arthur Train's famous comment about private detectives. Train, who later became famous as the author of the Lawyer Tutt stories, was then assistant district attorney of New York County. Out of his considerable knowledge of the private detective in 1911, Arthur Train wrote in part: "In no other profession is it more important to know the man who is working for you."

Arthur Train's comment still

By **MURRAY TEIGH BLOOM**

*There comes a time
when the services
of a private detective
are needed. Here's
how to pick one and what
you can expect to
get for your money*

stands today, 40 odd years later.

In many states it is still easier to get into the private detective business than it is to vote or get a driver's license. In other states detective licensing laws are not too stringent. In Florida, for example, you pay a few dollars for a license and you are in business.

In New York, California, Massachusetts, Michigan, Wisconsin and Illinois licensing is taken more seriously. In the past 15 years in New York, many private detectives have lost their licenses for various practices and felonies in connection with cases they've handled.

In California where 900 investigators' licenses are in use—and this includes private patrol operators and insurance adjusters—the state prides itself on what is probably the most effective and comprehensive licensing laws in the country.

James Arnerich, director of the state's Bureau of Private Investigators and Adjusters, said that in the past five years his bureau has suspended five licensed detectives and revoked the licenses of 11 others.

Many businessmen are reluctant to hire an investigator because they don't know where to find one suited to the need. How do they go about finding a private detective they can trust to do a good, reasonable job discreetly?

I put that question to several private detectives I know. Each has been in the business for more than ten years and does a much better than average business. One is in California, one in Florida and one in New York. They agreed that the best method is to ask your lawyer to recommend someone. Some of the better agencies get as much as 75 per cent of their business directly from lawyers acting for clients or through lawyer's recommendations.

Frieda J. Rassel, one of the most

*... but you won't get
all the vacation you plan!*



... because many of those precious vacation hours will be swallowed up by The Great American Traffic Jam, a wastrel who is your unwanted guest on every auto trip.

The delays and dangers this wastrel causes are the result of our 1920 style roads trying to carry today's 52 million vehicles. It simply can't be done safely.

Here's just one startling fact—on the average, on 1 mile in every 4 of our main highway network it is not safe to overtake and pass another car at cruising speed.

America's traffic muddle is wasting millions of dollars a year in people's time. You'll feel this loss especially when it's chopped off your vacation time this summer.

Today, adequate roads are a top-of-the-list necessity. To solve the nation's traffic muddle, all highway users and industries should join with public officials to achieve these results: (1) highway planning which fits the roads and the streets to the traffic; (2) making sure all motor vehicle tax money is spent on highways.

If you've got it—a truck brought it!

American Trucking Industry



American Trucking Associations
Washington 6, D. C.

Your Letterhead

TELLS MANY THINGS ABOUT

Your Business



DOES YOUR LETTERHEAD

identify your age and responsibility, especially if they have important institutional value?



DOES YOUR LETTERHEAD

back up your salesmen with advertising, trademarks, phone numbers, guarantees, etc.?



DOES YOUR LETTERHEAD

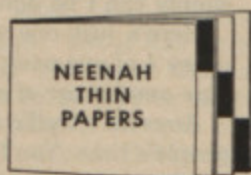
show engineering know-how by expressing the design style of your products or services?

Progressive firms now realize that one letterhead can't tell enough about the entire company, so they use different letterheads for their executive, sales, and engineering departments. This permits each department to use its own letterhead for a specific purpose. To assist you in the modern use of effective letterheads, Neenah offers you, without charge, the portfolio, *The Psychology of Business Impression*. This is the most practical method yet developed for designing letterheads to fit your business and your markets.

COURTESY COUPON. Check the material you want, sign your name, and attach to your business letterhead.

☐ *The Psychology of Business Impression, Letterhead Test Kit and Opinion Cards.*

☐ *3 Keys to Selection and Use of Neenah Thin Papers, a portfolio of samples with ideas for effective use of thin papers.*



SIGNATURE _____

NB3

Envelopes are available in all grades of Neenah rag content bonds.

NEENAH PAPER COMPANY, Neenah, Wisconsin

attractive private detectives in Miami, Fla., and also one of the ablest, suggests another source for advice.

"Go to your Chamber of Commerce," she said. "The executive secretary has a sensitive finger on the town's business pulse and he knows which agencies have done good jobs in the past for local business firms. Another good, and probably surprising source of information of this kind is your chief of police. He usually knows which of the local agencies are reliable and do good work."

WHAT can you expect from a private detective?

Listen to John (Steve) Broady, a New York lawyer-investigator who has a large, highly efficient staff of licensed private detectives:

"First, give the investigator *all* the details. Don't play detective with the detective. Don't test him by giving him only part of the information and seeing how much he'll find out for himself. It could be an expensive test at \$25 a day minimum charge. And don't fall for the 'our methods are our secrets' routine. Find out what methods will be employed in the investigation. There are times when you, the client, being closer to the situation will be better able to determine which methods will work better. And when he says he will need an advance on expenses that's a normal request.

"But by the end of your first interview you should have confidence in the man. If you don't, forget about giving him the case. At some time or other, even under the best of circumstances, your confidence in him will be strained. It may take longer than you think to get the necessary evidence on the larcenous employee. So if you have the least feeling of doubt about him don't hire him."

No detective can tell in advance what the case will cost you nor can he guarantee results. Contingency fees are illegal in many states. It's safe to assume, however, that one operative on the case will cost you between \$16 and \$25 a day. Use of a car and expenses are extra, of course. Pinkerton's provide personal bodyguards at \$20 a day while investigators get \$24 and shadows get \$18. Plant guards, in or out of uniform, are available at \$14 to \$16, depending on the city.

At some point in the initial interview some businessmen will be surprised to find that the detective won't take the case. Pinkerton's, for example, will not investigate a public man for any political

group nor will they work with a reform group in a city unless it's with the consent of the District Attorney. Under no circumstances will the "Pinks" investigate a police department or the lawful activities of a trade union.

John O. Camden, general manager of Pinkerton's, recalled an incident in the 1930's when he refused a case from a large company. Mr. Camden was then manager of the Pinkerton office in Cincinnati, and had been trying to get the guard business of this firm for years. Then one day the general manager of the firm asked Mr. Camden to drop in.

"I'll say this for him," Mr. Camden recalled, "he made no bones about it. A competitor of theirs had a new, unpatented process that saved them a few cents on every ton of material. He wanted the process.

"I said to him straight out: 'What would you say to me if you found two or three Pinkerton men working undercover in your plant right now? You wouldn't like that, would you?'

"He smiled weakly and stood up. I picked up my hat and left. Three months later he called me again and said, 'All right, Camden, you've got our regular business—as of today!'

MANY private detective agencies will do "inside" work fairly regularly. Often, however, the client has a legitimate interest in the work going on in a competitor's plant. A midwest private detective told me of just such a case he had not long ago:

"This was a knitting machine patent. First we tried the usual 'gas inspector' routine and that worked okay but it turned out that in order to get ironclad proof our man would have to unbuckle some top plates from the machine and take pictures of the mechanism. So I worked out a stunt. We knew that the plant was guarded day and night. The owner didn't want anyone to get proof of his infringement. So one night the cops got a phone call that a burglar was seen on the roof of this plant. A couple of squad cars came, the guards came around to the front to talk to the cops and in the confusion one of our men got in by a side door, found the machine, unbuckled the plates, took photos of the mechanism and got out.

"On a deal like this you're a dead monkey if you aren't friendly with the cops. They don't go for this 'anonymous phone call' boloney. But we were friendly with them

NO TAX PROBLEM HERE.... they're burying it!



When you see cast iron pipe put in the ground you can say to yourself: "There's *one* expense we taxpayers won't have to meet again."

Cast iron pipe serves for centuries. As of now, more than 40 American cities use cast iron gas or water mains installed over a hundred years ago! Today, *modernized* cast iron pipe, *centrifugally cast* for still greater strength, toughness, durability, assures even longer life. Your great-grandchildren will be served by the *modernized* cast iron pipe installed today.

On the record, cast iron pipe, America's No. 1 Tax Saver, has saved and is saving taxpayers millions. In the years ahead, *modernized* cast iron pipe will save millions more. Cast Iron Pipe Research Association, Thos. F. Wolfe, Managing Director, 122 So. Michigan Ave., Chicago 3.



This cast iron water main, uncovered for inspection, is in its 104th year of service in Buffalo, N. Y. — one of more than 40 cities with century-old water or gas mains in service.

CAST IRON

CAST IRON PIPE

America's No.1 Tax Saver

©1953, Cast Iron Pipe Research Association



No experience necessary!

● The boss' wife parks Joey in the office sometimes while she shops. Such fun! Last time here he discovered the postage meter, so we let him stamp outgoing mail. Was Mama proud! Naturally she didn't know that anybody can use a DM!

● The DM is a desk model postage meter ... prints postage, any amount needed for any kind of mail, right on the envelope. Prints a dated postmark at the same time, and a small advertisement if you like. Even handles parcel post. Has a moistener for sealing envelope flaps. And automatically accounts for postage on visible registers.

● The DM is a great convenience in any office...saves time, effort—and postage! Larger models for larger mailers. Call the nearest PB office for a demonstration, or send coupon for free illustrated booklet.

● **FREE:** Handy wall chart of new Postal Rates, with map and parcel post zone finder.



PITNEY-BOWES Postage Meter

Offices in 93 cities in
U. S. and Canada

PITNEY-BOWES, INC.

1343 PACIFIC ST., STAMFORD, CONN.

Please send free ☐ booklet, ☐ wall chart to:

Name _____

Firm _____

Address _____



and they knew what the case was about so there wasn't any beef. Our client's lawyer sent copies of the photo to the infringing firm. A week later they were licensed to use the patent and our client collected substantial back royalties for its unauthorized use. Our fee was \$400."

Such a case shows that the private eye of fiction who is always working at cross purposes with the police, or is constantly outsmarting them, isn't likely to make much of a living in the business—even if his license isn't revoked fairly quickly.

YEARS ago, when some aroused and reform-minded businessmen wanted to drive out the political rascals in their city, they would invariably head for a prominent private detective such as William Burns or Raymond Schindler who had reputations for unseating crooked politicians.

Today, aroused businessmen out to fight local corruption are more apt to form Crime Commissions and hire their own full-time investigators.

In many states the law is not too clear on whether simple shadowing is an "offensive or disorderly act." But in most states "a person who secretly loiters about a building with intent to overhear discourses therein and to repeat the same to vex, annoy or injure others" is guilty of a misdemeanor. And in Florida, every agency has to report to the local police or sheriff's office as to the actual vicinity where surveillance work is being done with the use of an automobile.

In spite of the dangerous enemies made in the process, John Broady in New York still takes on corruption investigations. Mr. Broady's men, hired by millionaire Clendenin Ryan, dug up much of the material that was later used by the Kefauver Committee during its New York hearings. Hired by the aroused housewives of Gary, Ind., Mr. Broady was able to expose several corrupt officeholders in that city.

For every slam-bang, razzle-dazzle case, the average private detective has 20 ordinary ones that never make much news. Here are a few typical cases, how they were handled and what they cost the businessman client.

The first we might call the Case of the Shining Dollars. About \$600 in petty cash, cameras and various small items were missing from several floors in a large eastern office building. The police had been investigating for a month but had

failed to solve the thefts. The management called in Mr. Broady who assigned one of his best young operatives, Darrell Gray, to the case.

Mr. Gray questioned the building superintendent and more than a dozen tenants who had made the original complaint. He arranged for \$18 to be placed in a telephone memo book in a secretary's desk drawer. Money had been stolen from that place before. The bills were recorded and then marked with a special fluorescent crayon visible only under "black" light. Then the bills were dusted with an invisible fluorescent powder, finer than talcum, and particularly tenacious to the skin or clothing.

The next morning the money was still in the book but it seemed to Mr. Gray that it had been shifted slightly. With the superintendent, he inspected the maintenance men's lockers in the basement and in one of them found the inside of an overall pocket clearly marked with fluorescent powder. The owner of the overalls was confronted when he arrived that night for his regular shift but denied any knowledge of the case.

The man then was asked to bring his overalls from his locker. The pocket was pulled out and when the "black" light was played on it the material seemed to gleam. Then he was shown the marked bills and how they fluoresced the same way. Shortly after, he confessed, admitting the previous petty thefts. He had taken the bills but had returned them.

The man offered to make restitution. The building management accepted the offer, agreed not to prosecute. He was fired and that was the end of it. Mr. Gray had spent ten days on the case. Mr. Broady's fee was \$350.

THIS one we might call the Case of the Sweet Beer.

Complaints of sweet and flat beer were coming in more and more frequently to a midwestern brewery. All the complaints seemed to stem from an area with a ten-mile diameter. When the detective agency was called in the brewery people expressed certain theories. It was thought that disgruntled truck drivers were doing it, that certain delicatessen owners were involved for various reasons, and that some wives were doing it to keep their husbands from drinking beer. All these possibilities had to be explored.

Each customer who had complained of the sweet beer had to be checked to see if he was in the

Standard Oil Company (New Jersey) reports on...

A big job...well in hand

(Highlights from the Annual Report for 1952)

People needed more oil in 1952 than ever before, but once again ample supplies were available to meet the demand. An important part of this big job was done by companies in which Standard Oil Company (New Jersey) has investments. These companies expanded their facilities to provide people of many nations with oil to heat and light their homes, fuel their ships and planes and trains, power and lubricate their factories, harvest their crops, and run their cars and trucks.

Jersey's Annual Report for 1952 shows how the big job of supplying people's oil needs has become even bigger. It shows, too, how well this kind of American enterprise handles it.

During 1952, Jersey's affiliated companies produced, refined and sold more oil than in

any previous year. This meant more oil wells, more miles of pipe line, new tankers, additional refining capacity, and expanded distribution facilities.

It also meant large investments. During the year, new equipment and replacements cost \$498,000,000. Since 1945, almost three billion dollars have been spent for this purpose.

The increased business brought to Jersey and its consolidated affiliates a record gross income for the year, but because of the higher costs of doing business, net income was \$8,480,000 less than 1951's record high. About half of this net income of \$520,000,000 was paid in dividends to the 269,000 persons who own Jersey.

These pictures give some idea of the scope and scale of Jersey affiliates' activities during 1952:



New Oil Sources are located by constant search and by using modern equipment like this helicopter in Canada. New fields were also sought, with good success, in the U. S., South America, Western Europe, the Middle and Far East.



When Geologists Find a Likely Spot, or when known fields are being developed, new oil wells must be sunk, often at great cost. Here is a drilling rig in a project which expanded the known boundaries of an oil field in Saudi Arabia.



Many New Wells, such as this opening a Texas field, must be placed in operation yearly to meet demands. In 1952, although production of Jersey affiliates was 4 times that of 20 years ago, their proved reserves were at an all time high.



New Refining Capacity helps to meet the need for more and better products. The units shown above, for example, represented an important part of a recent modernization and expansion program at a Jersey affiliate's refinery.



Pipe Lines are costly, but provide the most efficient overland transportation of petroleum. This means cheaper, more abundant products. The pipe shown above went into a line delivering crude oil to a Venezuelan refinery.



Tanker Construction goes on constantly to meet requirements for water transportation of crude oil and finished products. During 1952 Jersey affiliates took delivery of two new ocean-going tankers like the one shown above, as well as four smaller tankers.



New Ideas are essential to meet people's needs for more and better oil products. Over \$27,000,000 and the time of 2,500 employees were devoted to research in 1952. Notable results included a motor oil to maintain efficiency of high compression automobile engines.

FINANCIAL SUMMARY—1952

Standard Oil Company (New Jersey) and Consolidated Affiliates

Total income from sales, services, dividends and interest . . . \$4,156,977,000	Taxes charged to income \$371,600,000
Net income . . . \$519,981,000 or \$8.58 per share	Other taxes, collected for governments . . \$384,500,000
Dividends paid . . \$256,882,000 or \$4.25 per share	Spent for new plants and facilities . . \$498,051,000
Wages and other employment costs . . \$670,200,000	Number of shareholder-owners 269,000
	Number of employees 120,000

The Annual Report tells the story in detail. We will be pleased to send a copy to anyone wishing it. Write Room 1626, 30 Rockefeller Plaza, New York 20, N. Y.

STANDARD OIL COMPANY (NEW JERSEY)

AND AFFILIATED COMPANIES



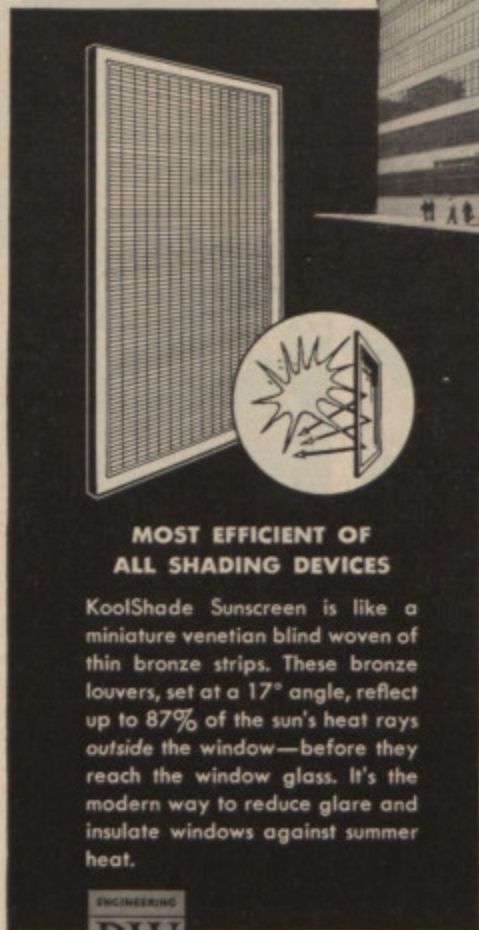
Florsheim Shoe Cuts

Air Conditioning Load **20%**

with **Ingersoll**

KOOLSHADE®

Sunscreen



MOST EFFICIENT OF ALL SHADING DEVICES

KoolShade Sunscreen is like a miniature venetian blind woven of thin bronze strips. These bronze louvers, set at a 17° angle, reflect up to 87% of the sun's heat rays outside the window—before they reach the window glass. It's the modern way to reduce glare and insulate windows against summer heat.



ENGINEERING MAKES IT WORK
PRODUCTION MAKES IT AVAILABLE

Almost every American benefits every day from the 185 products made by

BORG-WARNER

THESE UNITS FORM BORG-WARNER,

Executive Offices: Chicago:

ATKINS SAW • BORG & BECK • BORG-WARNER INTERNATIONAL
BORG-WARNER SERVICE PARTS • CALUMET STEEL
CLEVELAND COMMUTATOR • DETROIT GEAR • FRANKLIN STEEL
INGERSOLL PRODUCTS • INGENSOLL STEEL
LONG MANUFACTURING • LONG MANUFACTURING CO., LTD.
MARBON • MARVEL-SCHLEBLER PRODUCTS
MECHANICS UNIVERSAL JOINT • MORSE CHAIN
MORSE CHAIN CO., LTD. • NORGE • NORGE HEAT
PESCO PRODUCTS • REFLECTAL • ROCKFORD CLUTCH
SPRING DIVISION • WARNER AUTOMOTIVE PARTS
WARNER GEAR • WARNER GEAR CO., LTD. • WOOSTER DIVISION

The new Chicago general offices of Florsheim Shoe Company presented an unusual air conditioning problem. Despite zone control, when the open office area was pleasantly cool, private offices along exposed-to-the-sun outside walls were uncomfortably warm. If the private office temperature was lowered, then the general office area became too cold for comfort.

To solve this problem, Florsheim installed KoolShade sunscreen on the east, south and west windows. The sun's heat rays were effectively blocked out. The peak load demand on the air conditioning system was lowered 35 tons. Operating costs were reduced 20%. And all the offices were pleasantly comfortable.

Even without air conditioning, KoolShade keeps rooms up to 15° cooler by blocking up to 87% of the sun's heat rays. Shuts out glare—admits light and air. Effectively screens out insects.

Designed, engineered, and made only by Borg-Warner's Ingersoll Products Division, KoolShade is ideal for factories, offices, public buildings, hospitals, schools and homes. For full details address Ingersoll Products Division, Borg-Warner Corporation, Dept. KS-22, 310 S. Michigan Ave., Chicago 4, Ill.



Actual size section of Ingersoll KoolShade Sunscreen showing spacing of louvers and verticals.

secret employ of a competing brewery. Every store that had had a complaint was visited and 14 storage facilities for beer cases in the basement were checked. Two men were assigned full time to the case.

It was discovered that most store owners allowed truck drivers to go down to the basement to pick up empties and to check stock. Salesmen also were allowed to check stock. A list of competing salesmen who visited the stores also was compiled. Checking the list against the recent visits of those salesmen narrowed the suspects down to one man who was well liked by most of the storekeepers.

The detectives now selected a delicatessen basement that could be reached from another entrance besides the one from the store. A microphone was hidden near the beer cases along with a camera and flash unit.

MEANWHILE weeks had gone by with the necessary routine investigations and the brewery client becoming more impatient. Finally, after three days of surveillance, the suspected salesman went down to the basement. With a special little device he opened several bottles of his competitor's brew without denting the caps. In each he put one or two saccharin tablets, then resealed the bottle without marring the lip of the seal.

After the flash bulbs exploded, he got panicky and confessed. It was taken down on the microphone recorder. His wife was sick, he said, and he needed more money. By undermining a rival beer, he hoped to increase his own sales and commissions. A copy of his confession was given to the salesman's employer who knew nothing of the scheme. The latter agreed to pay the detective agency's \$4,000 bill for the five month's investigation. He also took the salesman off that particular territory and assigned him to another. There was no publicity and, most important to the detective agency's client—no more sweet beer.

Most cases are much simpler. Here's the Case of the Buyer Who Worked Too Hard as told by Frieda Rassel of Miami:

"Last year the jewelry department of one of our leading stores suffered a \$12,000 loss of merchandise in less than three months. My agency was called in and I placed two women undercover agents in the store as saleswomen. During the first few days they detected several minor thefts both by salesgirls and by shoplifters but these

routine petty thefts couldn't possibly have accounted for so large a loss. After a week of this I made a Sunday morning appointment with the store manager to discuss a new approach I had in mind. Walking down the stairway to a first floor exit, I was surprised to see a young woman buyer of the jewelry department moving about in the store. She was embarrassed and explained that she had forgotten her purse the previous night and had asked the watchman to let her in.

"Then my operatives reported to me that they had noticed the same woman buyer at closing time instructing salesgirls to fill large cardboard boxes with jewelry from the display counters and then had them put the boxes in a closet. I pulled the two women off the case and brought in two men who placed the employees' entrance under surveillance throughout the night. Finally, on the third night, the men noticed a small business coupe approaching the rear entrance of the store through an alley.

"The woman buyer got out and entered the store. A few minutes later she carried a cardboard box to the car and drove to her apartment building. The next day we obtained a search warrant. With city detectives, we entered the apartment and found almost all the store's missing jewelry.

"Our operatives spent 15 days on the case. The store was charged \$750 for services, \$60 for car hire and \$37.50 for expenses. The store manager told me we had saved the firm \$11,152.50, even after our fee was deducted."

WITH their new found status as solid businessmen, private detectives are likely to be with us for a long time. It turns out that they are, by reverse definition, a part of our democratic heritage. In 1947 the Russian occupation authorities in the Soviet Zone of Germany ordered the dissolution of all German private detective agencies because they "contradicted the principle of democratic reconstruction."

Now that private detectives have turned out to be an ideological issue in the cold war, we're obviously going to have to keep and cherish them. If it's Mickey Spillane's Mike Hammer and Raymond Chandler's Philip Marlowe against Malenkov's L. P. Beria, I'll take the private op. Weird as his story may be, it always sounds more believable than the "confessions" Beria's operatives turn up.

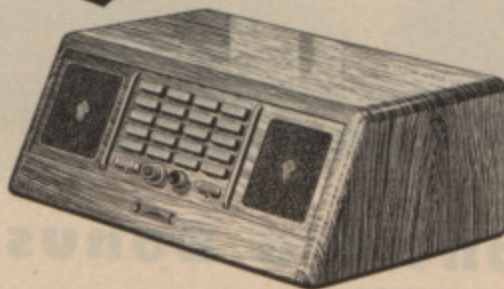
END



the most important contribution to interior communication since the perfection of

Kellogg Select-O-Phone

...the New
**EXECUTIVE
STATION**



Mahogany, walnut or finished to blend with any office decor.

In just seven years—since Kellogg first offered SELECT-O-PHONE to its customers—this easy-to-install, automatic private telephone system has leaped ahead in sales until, today, SELECT-O-PHONE is in first place! ... The reason is that Commerce and Industry need SELECT-O-PHONE—need it to augment city telephone service, need it to relieve switchboards so jammed with inside, inter-office traffic that they cannot handle incoming and outgoing calls efficiently. Commerce and Industry have discovered that SELECT-O-PHONE best solves the problem. SELECT-O-PHONE is automatic, requires no operator; is a simple, economical means of handling inside communications—up to 55 stations—independ-

ently of city telephone service.

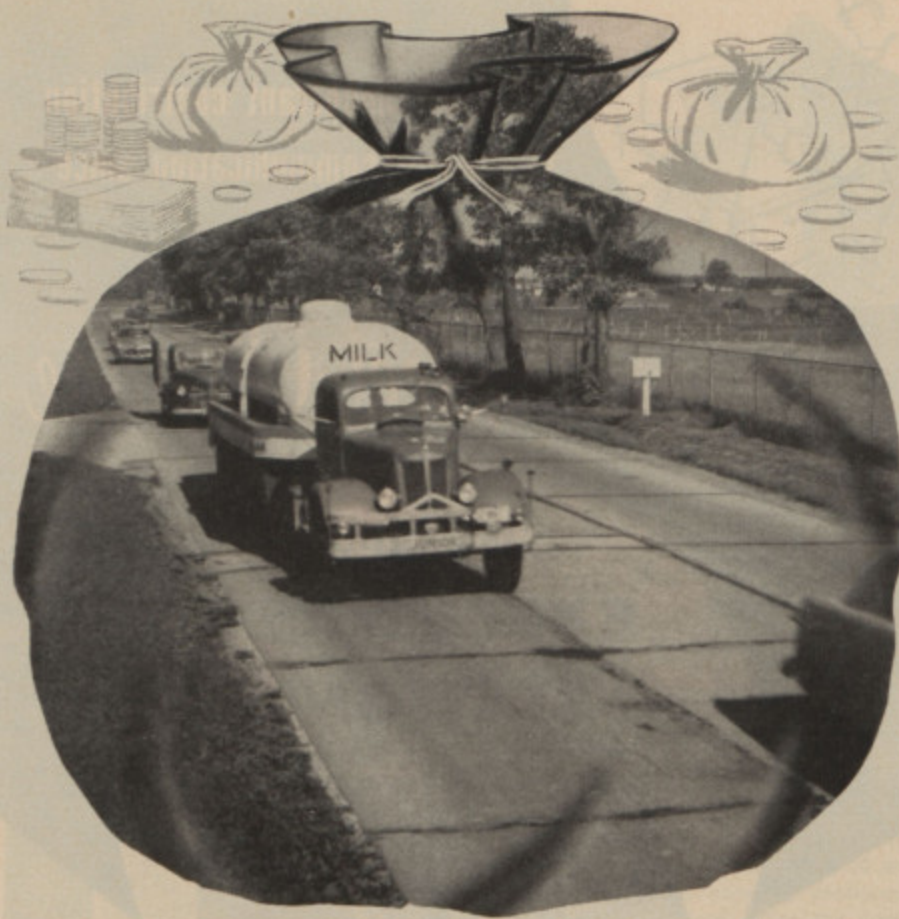
And now, with the new Kellogg *Executive Station*, SELECT-O-PHONE becomes more advantageous than ever before. With the beautiful *Executive Station* as part of your SELECT-O-PHONE system, you can sit at your desk, with both hands free (or walk around, for that matter) and converse with other executives as though in the same office. Their voices will be clear and true—recognizable instantly! The *Executive Station* has no buttons to hold down while you talk or listen. Dialing and ringing are automatic! ... For complete information on SELECT-O-PHONE and the new *Executive Station*, please send us the coupon below, or drop us a line on your letterhead.

Kellogg

An Associate of International Telephone and Telegraph Corporation

SELECT-O-PHONE DIVISION, Dept. 7-F
KELLOGG SWITCHBOARD AND SUPPLY CO.
Sales Offices: 79 W. Monroe St., Chicago 3, Illinois
Please send complete information on Kellogg SELECT-O-PHONE Systems and the new Executive Station.

NAME _____
COMPANY _____
ADDRESS _____
CITY _____ ZONE _____ STATE _____



Concrete Bonuses for motorists and taxpayers

This old concrete highway is Higgins Road, Ill. Route 72, near Chicago. It was built in 1924 to replace another type of pavement that lasted only 5 years. For more than a quarter of a century the concrete road has carried increasingly heavy and more numerous vehicles. Today it averages 4,000 daily—500 of them commercial.

Sure, there are a few cracks and patches on Higgins Road now. But in general it's still in pretty good condition. And it paid for itself long ago. Now it requires no annual outlay of tax money beyond its moderate maintenance costs. Every year since it was paid for it has been delivering a handsome bonus to motorists and taxpayers, who pay for building and maintaining roads and streets.

Throughout the country there are hundreds of miles of old concrete pavements like Higgins Road. Not only have they passed their life expectancies but they also are and for years have been carrying traffic loads far beyond what they were designed to bear.

The outstanding performance of these veteran pavements demonstrates that concrete really can take it. This durability, along with low maintenance cost, make it the *low-annual-cost* pavement. Today, with improved engineering design, materials and construction methods, concrete pavement can be built even better.

PORTLAND CEMENT ASSOCIATION

33 W. Grand Ave. } A national organization to improve and extend the uses of portland cement
Chicago 10, Ill. { and concrete through scientific research and engineering field work

After Taxes You Can Keep More in '54

(Continued from page 27)

these headaches, hindsight shows that there were some apparent mistakes which had the effect of slowing up the drive for lower taxes and spending. These mistakes were not too surprising, in view of the difficulties involved in being the first new administration to take over from the opposing party in the past 20 years.

Looking back, there seems to have been no reason why the Dodge order for revised budgets should not have been issued immediately after the inauguration, to give the agencies the maximum amount of time. Actually, it was not issued until Feb. 3.

While Mr. Dodge himself has been working a grueling schedule since December, more top-level help by men of his own choosing should have been given him. In particular, offers to provide expert staff assistance made by congressmen of both parties during December were turned down.

Some delays have been encountered in making needed changes of top-level personnel who were not in harmony with the new Administration's streamlining policy. In fairness, however, it must be recognized that capable men who are able and willing to accept government service are not always easy to find.

In spite of all the difficulties, there is still good reason to look for substantial budget cuts and lower taxes.

Timing won't be such a problem from now on. With the immediate pressure of congressional hearings off, the Administration should be able to do a real job of planning the next budget, which will go to Congress in January. While this new budget will still be under the influence of past events, it will be truly an Eisenhower budget, and he will get the credit—or the blame—for what it contains.

Certainly, the new bosses in the Government will begin to get their own agencies better in hand. They should be able to solve some of the personnel problems, to get to know their jobs, and develop their own programs.

The problem of pressure groups will always be with us. But in many areas of the country there is a growing awareness of the need for self-denial in pushing for pet projects, which promises to make the pork barrel unpopular. The real

solution lies in a clamor, from the vast majority who want government economy, loud enough to stiffen the backbones of the legislators and administrators who want to do the right thing but who are afraid of killing Santa Claus.

The 1954 budget can—and probably will—be sufficiently “overbalanced” on a cash basis to permit immediate income tax reductions. Then we can start to do a scientific job over the next year of slimming down Uncle Sam’s waste-line, first step in giving real relief to taxpayers.

But one thing is just as true now as always: We can’t just elect a new group of officeholders, relax in our easy chairs, and assume that everything that ever bothered us will be put right. Citizen participation in national affairs is as important as ever—and those who don’t have pet projects can be just as influential as those who do.

END

AN EYE TO THE OUTSIDE

YOU see, but can’t be seen. This is not magic, nor an optical illusion. It sloganizes a new invention by a California manufacturer for home protection. The Detector, as it is called, can be installed in any door and enables a person inside to investigate a knock or ring without being seen.

Two small optical lenses—one a reduction lens—utilize a small opening at eye level to give a telescopic view of a wide area.

The new device has been examined by millions of Americans across the country at fairs and exhibits. Alan Schneiderman, head of the company, has had orders from nearly every state in the nation.

Search for the perfect peephole has been under way for a long time. The old speak-easy window in the entrance door gave way through the years to various inventions utilizing mirrors.

Recognizing the need for protection from unscrupulous intruders, many building contractors are using the device as a standard installation for new homes.

Among intriguing reactions to the invention, probably the most unusual came from a visitor from Mexico at an exhibit in Southern California. Visibly impressed, he examined the peephole minutely, then asked an attendant:

“Is it bullet proof?”

—MARION SIMMS



*This tells when
to go and stop...*

This tells where to go and shop!



Year in, year out, 9 out of 10 shoppers all over America open the ‘yellow pages’ of the telephone directory to find out *where* to buy. Surveys prove it.

And, when you use Trade Mark Service in the ‘yellow pages’ to display your trade-mark over a list of your local dealers, you’re reaching prospects right at the time they are ready to buy. Your dealers’ sales increase . . . *your* sales increase.

Trade Mark Service is the economical way to give sales a “go” signal wherever your product is sold.

For further information, call your local telephone business office
or see Standard Rate and Data (consumer edition)



TRADE



—the cure for AID

No substitute for honest world commerce

has yet been found. Only the U.S. has

the wealth and skills to take the lead

in setting a sound pattern for business

By **HERBERT HARRIS**

BLOWING UP around the Eisenhower Administration is a paper typhoon of plans and blueprints to expand world trade. But every new idea for change in this direction is running smack up against some counterproposal either to keep things as they are, or to stop, look and listen for a while before moving ahead too far or too fast.

Behind this conflict are pressures that are going to affect every balance sheet in the United States, one way or another, this year or next.

A vast array of economists, both in and out of Government, contends that we must act with more speed and boldness to help firm up the French franc, and boost India's rice yield, and take many other steps that, on a global scale, would enlarge the whole picture of world trade, and our place in it.

They claim that it would be risky for us to lose a whole year while the Administration fashions a new over-all foreign trade policy; that we already know the problems and how to begin solving them; that no new surveys or commissions are really needed; that, above all, world conditions demand that we act at once—especially since the Kremlin is wooing western Europe with new tempting trade deals as a start toward splitting it away from the Atlantic Alliance.

These economists also claim that we cannot afford to wait for any possible working out of "coexistence" with the USSR—a coexist-

ence which, under the President's offer of last April, would enable us to devote to world trade development some of the money saved from what we now spend on defense.

Some executives insist that we can improve world trade right now by removing road blocks to the more rapid and copious inflow of goods and services from overseas.

Many who share this outlook would like to see us reduce or abolish such tariffs, for example, as 50 per cent on bamboo blinds, 25 per cent on some fabrics, 15 per cent on machine tools, ten per cent on automobiles, and many more.

They would also like to see un-snarling of our customs procedures which, during the past two years, have clogged the courts with some 30,000 cases to appeal such rulings as 90 per cent *ad valorem* on any piece of cloth with a fringe.

They would further like to see a reassessment of quota schedules which put a limit on imports of sugar, beef, linseed oil, and similar supplies.

The opposition lacks neither vocal power nor strength. It is braced by heavy support from key groupings in the chemical, electrical, textile, optical, sugar cane and other industries. This alignment warns that drastic revisions in our tariff structure would mean foreign advantage at our expense, and injury to our living standard. In this they can count on a favorable response in numerous circles.

But what does all this ferment about world trade mean?

The crux of the matter can be summed up by a set of simple figures. In 1951, for example, we exported \$15,400,000,000 worth of goods. We imported \$10,800,000,000 worth.

The dollar gap, or the difference between what we sell and buy abroad, thus stood at \$4,600,000,000. Largely because the dollar gap was of this size, we spent \$5,000,000,000 on foreign aid—\$2,800,000,000 economic, and \$2,200,000,000 military.

Now go back a minute to the \$10,800,000,000 worth of goods we imported. Of these, \$6,000,000,000 worth entered free and \$4,800,000,000 were dutiable. However, it has been estimated that if under 1951 conditions we had canceled all tariffs and quotas, foreign producers could have sold us \$2,800,000,000 more of their products, a sum that equals what foreign economic aid cost us in that year.

This is of course an extreme supposition. Nobody expects all tariffs or other imposts to be rescinded.

It is claimed, though, that if we should gradually modify them downwards, and make them the pivot of a predictable freer trade policy for five years, our imports could rise to the point where the dollar gap would be substantially narrowed, if not entirely closed.

Naturally this whole problem goes beyond statistical calculations. It is surcharged with pocket-book emotions which intensify dissension between the "internationalists" who, broadly, would change our world trade policy, and the "nationalists" who would leave it alone.

To reach a reasonably fair verdict amid all this controversy let us look at the major arguments by both sides.

CONSIDER first the case of the internationalists.

To get perspective (say proponents) on what is happening, a capsule of history is necessary.

The pattern of world trade which prevailed from 1816 to 1914 had one basic characteristic: It was organized.

It was organized by the British Empire which, guided from London, served as pace-setter, banker, gyroscope and policeman for the orderly movement of capital, raw materials and manufactured goods around most of the globe. The British consciously set out to promote a world economic environment which would encourage private investment, and diffuse technical know-how to develop every-

thing from tin mines in Malaya to railroad lines in the United States. The French, Dutch, Belgians and others followed British economic leadership in varying degree.

Hence into Europe's workshops and warehouses came metals, minerals, fibers, woods, oils, food staples from India and Africa, from Indo-China, Indonesia, South America, and what is now the Soviet bloc. To these regions went wares from Lancashire and Marseilles, Frankfurt, Rotterdam and Brussels.

It was this commerce among nations that endowed the world economy for 100 years with the most rapid, and most stable rate of expansion it has ever known—before or since. To point this out is not to condone the imperialistic excesses of European powers. It is rather to spotlight the real issue: It was the breakdown of this old pattern of world trade which largely precipitated World War I, along with the economic anarchy, crack-ups, and cutthroat trade rivalries between countries that marked the 1919-39 period and which did most to cause World War II.

No substitute for that old pattern of world trade has yet been found. But we must find its modern equivalent—and soon.

Remember that under the trading system sponsored by the British, mankind had a century of peace, or more exactly an era of limited wars such as the Crimean and Franco-Prussian, as against the world wars started by Napoleon, the Kaiser and Hitler. Remember that the basic fact about world trade is that if it is to be stable, to expand, and to promote peace—and the three things go together—it has to be organized.

Only the United States has the wealth and skills to take the lead in organizing it, in concert with other free nations. Only the United States, under today's different conditions, can achieve for the last half of this century, and beyond, what Britain did in the period between Waterloo and Sarajevo. The U. S. can do it better—by avoiding the mistakes of the past.

WE HAVE to assume this task to maintain our own prosperity. Recent research proves that during the past 100 years every depression has been international in origin and impact, and to an ever-increasing extent. This was shown by our slumps as far back as 1857, in '73, and in '90. It was even more vividly shown in the panic in 1907, the crash of '29 and the recession of '39. President Hoover declared

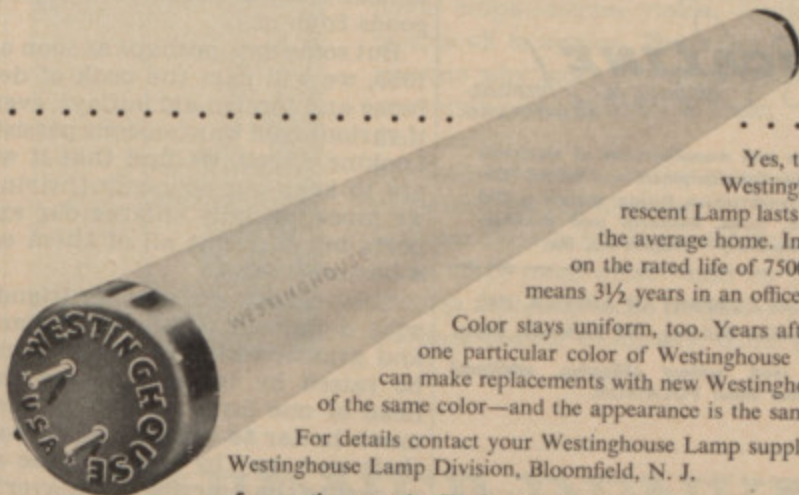
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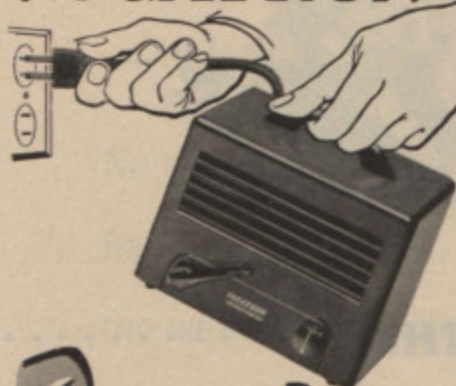
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that the crash of 1929 resulted from world-wide conditions far more than from domestic causes. He was right.

Until recent years (the argument continues) we were busy building up our own economy, our vast single market within our inland empire. The needs of a rapidly multiplying population, swelled by heavy immigration, just about kept pace with growing productive capacity for factory and farm.

Now, however, we have reached a stage where our basic plant has been largely built. As our ability to produce keeps rising, we have to look beyond our own shores for markets—as never before. Immigration has been shut off to a trickle. Normal increases in population will not suffice to provide the consumers and savings required to sustain our previous pace of economic development and expansion upon which our well-being depends.

THIS trend was visible as early as 1913. But it was more than offset by World War I with its new foreign markets and forced economic growth. When the boom of the 1920's collapsed we were unable to cure the resulting depression. As late as 1939 we had 8,000,000 unemployed. It took World War II and its replenishment aftermath to attain and preserve high levels of prosperity.

Downswings in prospect for the late 1940's were checked by the Marshall plan. They were then reversed by Korea; by \$46,000,000,000 in annual defense budgets; and by \$5,000,000,000 a year in foreign aid which in effect acts as a subsidy for exports since the people to whom we give or lend the money spend almost every dollar of it in buying goods from us.

But some day, perhaps as soon as 1955, we will pass the peak of defense and foreign aid outlays, even if various cold war tensions persist. Looking ahead, we find that if we are to keep our economy thriving we must not only enlarge our exports but also put all of them on a business basis.

"Instead of supplying our friends with dollars in the form of loans and grants, which of course must be raised by taxation," says the head of one large company, "how much better to allow them to pay their own way by honest trade at no cost to the American taxpayer!"

Today, for example, what Western Europe (including the United Kingdom) needs above all is the opportunity to sell us more cars, cutlery, cheese, along with ship-

ping and other services. The repercussions of World War II have cut off some of the major outlets which were also sources of its materials supply. Around 27 per cent of Western Europe's foreign trade, for instance, was formerly conducted with countries now behind the Iron Curtain.

Now this trade has been decreased to about one fourth of what it used to be for our European NATO partners.

Yet to keep their industries going they have to get from us not only some of the commodities they once obtained from what has become the Communist sphere. They also require steel, equipment, components and many other things without which their wheels would slow down, even halt. To pay for these depends primarily upon their ability to sell us finished manufactures. Here is the rub.

In 1951 our European imports were about half of one per cent of our own production in this category. Yet it is our manufacturing industry which, despite notable dissenters, has been most successful in raising tariffs to exclude such articles. It justifies this action in part on the ground that higher wages here make it impossible for it to compete. The truth is that its command over the world's most advanced technology, along with its superiority in management methods, and in the use of machinery and manpower, really mean that its labor costs per unit are lower than anywhere else—with some few exceptions such as briar pipes, watches, chinaware.

What applies to our dealings with an industrialized Europe also applies, in principle, to the raw material producing areas of Asia, the Middle East, Africa, and South America. For our own sake, we need access to their metals and minerals crucial to our economy and which we lack in whole or in part.

THE underdeveloped regions with their fabulous resources still untapped offer the new frontier for long-term "seed-bed" investment, both public and private—public for roads, irrigation, health, literacy; private for building up local industry. They could thus diversify their economies, and eradicate a basic cause of their poverty: their overdependence upon single exports like coffee, oil, rubber.

In the process, they would become both better suppliers and customers for us and other industrialized nations.

Consider now the case of the na-

tionalists in the trade agreement.

The United States with six per cent of the globe's population and seven per cent of its land surface produces about 40 per cent of its goods and services. This is the accomplishment of a business civilization unique in history. But merely because the United States is an economic Titan is no reason why it should act like Atlas and assume all the world's burdens.

Since V-J Day we have spent more than \$30,000,000,000 on relief, recovery and rearmament to help other peoples who too often drag their feet. We have long reached the practical common sense limits of both public and private outlays abroad, for any purpose, including utopian attempts to underwrite a new pattern of world trade.

RECENTLY we have been venturing about \$1,000,000,000 a year of private capital in foreign countries. This is ceiling under current conditions. We could do better, but only if the overseas environment becomes more favorable to private investment, allowing profit rewards comparable to the risks involved. Too many foreign governments are hostile to this whole idea; or else too corrupt, or inept, or discriminate against the American investor in taxation, exchange controls, and in the courts.

"We have all heard a lot," says one big executive, "about investments to close the foreign trade gap, and investments to meet our responsibilities to other nations. But let's be realistic; none of us is going to invest a penny because our technical friends tell us that our international balance of payments is in a sad state of disequilibrium."

The same people who fail to grasp the reality of the situation in foreign investments are equally uninformed about the proper role of tariffs. That role has been unduly maligned and misrepresented. In the first place, 55 per cent of all imports enter this country on the free list. The remainder is made dutiable to protect American industries not from competition per se, but from unfair competition.

The claim that foreign labor costs are not decisive is not correct in countless instances. A Japanese worker, for example, may be using at a \$1 a day wage the same kind of modern equipment used by his American archtype at \$12 a day. The former can turn out textiles, cameras, toys, lighters, appliances which—even when shipping costs are added—reflect a 12 to one advantage in wage differential that



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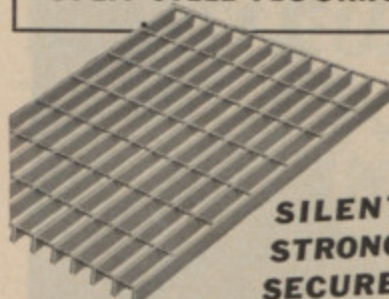
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It is therefore sheer rhetoric to rail against this principle of protectionism which is deeply embedded in all parts of our economy. Our farmers are protected by parity programs. Our workers are protected by minimum wage floors. Why deny to business enterprise the same sort of safeguards?

Moreover, our tariff policy is, on the whole, kept flexible. During the past five years, under the General Agreement on Tariffs and Trade (GATT), we worked out with 37 other countries mutual tariff and trade concessions to the very Europeans who complain about our alleged impost iniquities.

CRITICISM comes with poor grace from them. Despite the Schuman plan, the European Payments Union, and the oratory about economic integration, they have hardly begun to remove the impediments which restrict their trade with each other far more seriously than our tariffs hinder their trade with us.

Furthermore, what deters most foreign business from breaking into our market is less our tariff schedules than their refusal to adopt American merchandising techniques.

Similar misconceptions surround the idea that if we are to keep our economy expanding and robust, we have to participate even more extensively in world trade. This echoes the argument, popular in the 1930's, that our economy is mature and on the verge of decline.

It is not war, either hot or cold, that gives us our prosperity. It is absurd to assume that our solvency depends upon the volume of government spending for arms or for anything else, assert a number of top-flight economic analysts. The less the Government has to lay out, for any purpose, the more it can cut taxes, thus allowing us to use more of our money for what we want to buy instead of forking it over to the Collector of Internal Revenue for the Government to spend on what it wants to buy.

Moreover, any elements of unsoundness in the present defense boom are due more to government-contrived inflation, to too much currency in circulation, and to easy bank credit, than to the sums we are putting into our military program.

We could have had prosperity in the peacetime '30's, except for the

New Deal's throttling of free enterprise incentives. We are also more self-sufficient than we think. In a pinch, shortages in metals and other materials could be overcome in the laboratory—as in the case of synthetic rubber—or, if need be, by speedier resource development in Canada and South America.

We have too many slums and underprivileged people. Why not look within, for a change, and first take care of our own?

In this regard let us face up to some hard facts about exports. They represent surplus production—an excess over what we can use at home.

We sell abroad, for example, 35 per cent of our wheat and 20 per cent of our machine tools. But what happens if, in some frenzy of "free trade," we allow Argentina to ship into the U. S. an amount of wheat equal to that which our own grain growers now export? The result would be to deprive American farmers of more than one third of their existing market, and reduce their income by that much. After



all, only so many bushels of wheat can be sold in the world.

By the same token, if the British and Germans are permitted to send into this country machine tools equivalent to the 20 per cent we now export, our own producers would have to reduce their output by one fifth, and lay off American craftsmen in proportion.

SO RUN the pros and cons of a debate daily gathering momentum. The prospects are that over the next six months to a year the nationalists will hold their ground. But over the longer period of a year to 18 months, the odds favor the internationalists to win—not so much a complete victory as partial gains in a general advance.

Meanwhile, the slogan "Trade, Not Aid" has become something more than a Grade B cliché. Its implications continue to be the nub of talks between the Administration's general economic staff and visiting foreign dignitaries. The latter tend to believe that all roads lead to Washington. But when it comes to world trade, many Americans think Washington hasn't got a road map—at least not yet. **END**

Biggest Failure in Business

(Continued from page 37)

in assets, including approximately \$650,000,000 in outstanding loans, and vast synthetic rubber, tin and fiber holdings.

Many of RFC's activities have been beneficial and well-managed, but it also has been involved in malodorous influence - peddling, mink coat scandals and absurd loans to beauty parlors, bowling alleys, rattlesnake farms — and even gambling resorts with underworld connections. As its No. 1 critic, Sen. Harry F. Byrd (D., Va.), has said, RFC's billions have been "too much of a temptation to political vandals." But even with the green light from the White House, it is safe to predict Congress will be subjected to a great deal of pressure when it comes time to vote for RFC's funeral.

THE Government's most spectacular encroachment on private enterprise under the New and Fair Deal administrations was in the field of electric power. During the past 20 years, federal power projects grew from an insignificant installed capacity of 230,000 kilowatts to more than 10,000,000 kilowatts—or more than one sixth of the estimated capacity of all the privately owned electric companies in the United States. It has cost an estimated \$5,000,000,000. Furthermore, projects already underway or authorized by Congress would bring the total, if all are completed, to approximately 180 plants in 28 states, with total capacity of 29,000,000 kilowatts.

As with other federal business enterprises, the government power agencies seem to develop a hunger for expansion. TVA, for example, is supposed to experiment with fertilizers for benefit of agriculture in the Tennessee Valley. In 1952, with cheap natural gas available in the area, it built up its gross sales of ammonium nitrate—hardly an "experimental" fertilizer—to more than \$5,000,000. The Rural Electrification Administration (REA) has branched into the telephone business, and its local cooperatives even compete with private retail stores in selling electrical appliances.

It has been charged that some of these government agencies try to flout Congress, which holds the purse strings. For instance, in Arkansas the Southwestern Power

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Administration, an arm of Interior, became ambitious to acquire a steam plant to bolster its hydroelectric output. Congress said no. At this point, REA conveniently decided to finance construction of the steam plant and transmission lines with federal funds out of another pocket. By further coincidence, SPA turned up with a contract with the REA cooperative, whereby it would take a long lease on the steam plant and transmission lines, with option to buy the lines. The private utilities filed suit, attacking the arrangement as a "dodge" in contravention of the will of Congress, and the Arkansas Supreme Court voided the deal.

The Government even is making passes at taking over Niagara Falls as a power development. For years, plans have been advanced to increase Niagara's power output. Five private companies, already operating in the area, want to undertake the project. They would pay for it with private capital. In addition, they say they would remit an estimated \$23,000,000 annual taxes into federal, state and local treasuries.

A rival bill has been proposed whereby Army Engineers would build the project for federal operation at an estimated cost of \$350,000,000, which, judging by past performances, would be considerably higher before the work was done. Consequently, the project has been deadlocked while the wrangling continues.

IN THE Niagara fight, however, private enterprise may receive help from the new Administration. When asked how he felt about it, President Eisenhower said he would favor keeping the Government out of it, if it is possible to do the job properly otherwise. He further said he just didn't believe the Government should intrude on these things unless there is some overriding reason—and even then, if possible, the Government should come in as a partner, not as a dictator.

From the private business standpoint, there are other encouraging trends. In what has been hailed as an historic majority opinion, the United States Supreme Court recently upheld the right of private enterprise to undertake power development on rivers where the Government claims developmental rights. The case involved the right of the Federal Power Commission to license a private power company to build a generating plant at Roanoke Rapids, N. C. It presented the unique twist of one bureaucrat

fighting another, for it was former Secretary of Interior Oscar Chapman who challenged the FPC's action. In a legal brief, Mr. Chapman himself made the interesting assertion:

"The interest of the Secretary of the Interior is that of a competitor of VEPCO (Virginia Electric and Power Company) in the sale of power. . . ."

Even so, where will the struggle between public and private power lead? More than 100 investor-owned electric companies have gone under since 1933, and many others are still under the gun. Public power has become such a Gargantuan institution that there is little practical possibility of get-



ting Government out of the field. The fight, as private utilities see it, is to "hold the line" against further expansion.

And generation of electricity by atomic power—a revolutionary experimental field in which Government still exercises ironclad control—is presumably just around the corner.

The Post Office also comes in for perennial criticism and often is accused of being a competitor of private business—particularly express companies and banks. One avenue which the new Postmaster General might explore is the archaic Postal Savings system. Its operating methods hark back to the William Howard Taft era in 1910, when it was founded. Comptroller General Lindsay Warren, in a report to Congress, has flatly stated:

"By and large, the main purpose and justification for the Postal Savings system are no longer applicable. . . . Congress should give consideration to the question as to whether under present conditions there is a need for Postal Savings."

When Postal Savings was established, banks were scarce in rural areas; there was no federal insurance on deposits, and many depositors—particularly immigrants—lacked confidence in private banks. A Postal Savings system was set up, which paid two per cent interest (in contrast to the prevailing four per cent of that day), and issued impressive certificates of deposit, rather than passbooks.

Many think it is a costly sys-

tem that belongs with the dodo. A bill for its abolition is being pushed by Sen. Wallace F. Bennett (R., Utah).

Still another long-smoldering source of irritation to private enterprise is the \$5,000,000-a-year retail book and pamphlet sales business carried on by the Government Printing Office's Superintendent of Documents. "Supe Doc," as he is called, carries on an extensive mail order trade and even maintains an attractive salesroom in Washington where customers may browse and make their choices from samples of the 70,000 titles in stock, ranging from "Window Curtains—Planning and Selection" to "Survival Under Atomic Attack."

The GPO contends that everything it publishes is at the behest of government departments and comes under the heading of dissemination of public information; also, that retail sales help cut down the over-all cost to the taxpayers. Technical and textbook publishers retort that the Government's publications invade fields which rightly are the province of private enterprise. They also insist that "unfair price competition" makes it possible for "Supe Doc" to offer excellent reference books at prices which drive regular publications off the market.

Example: The National Bureau of Standards sponsored GPO publication of "Care and Repair of the House," a 209-page paper-backed publication that has sold nearly 364,000 copies at 50 cents since 1949—and, according to one publisher, has completely killed sales of a similar book by a private author.

THEORETICALLY, "Supe Doc" marks up prices 50 per cent "above cost" and makes a profit; in 1952, he turned in \$1,762,752 to the Treasury. Private publishers question how that "profit" is figured. The original cost of paying researchers and authors and of financing manufacture of the printing plates and the original run is shouldered by the sponsoring agency—i.e., the taxpayers. The GPO's "50 per cent markup" is on what it costs to print the extra copies it offers for sale! Uncle Sam, Publisher, also pays no taxes, no rent and sends out copies by franked mail. "We," said a publishing industry spokesman wistfully, "would like to do business like that!"

The foregoing are merely a smattering of Government-in-business activities. It literally would take an encyclopedia to tell the whole story—and Rep. Busbey expects that an encyclopedia will

be written, if the Commission he proposes is set up. A few of the chapters might be:

The story of the Agricultural Department's vast business operations, which include 13 banks for cooperatives; 12 federal intermediate credit banks; 12 production corporations; the Commodity Credit Corporation, the Federal Crop Insurance Corporation and the Federal Farm Mortgage Corporation. As an example of Agriculture's efficiency in business, the Comptroller General once caught the Farm Credit Administration leasing grain elevators to private operators for \$231,600 while CCC, a sister agency, was leasing them right back for \$945,889!

THE story of business operations in U. S. territories—the Virgin Islands, for example, where a government corporation loses money in attempting to prime the sugar cane industry; or the Alaska Railroad, which, among other things, runs a perennially unprofitable tourist hotel which is 87 miles from the principal scenic attraction.

The military story will run the gamut from shipyards and ordnance plants to the nation- and world-wide system of commissaries and exchanges operated (often to the distress of local merchants) by the services.

The Government - in - housing story—a book in itself.

The myriad of small items which directly concern the small businessman—for example, the repair shops run by General Services Administration.

The story of the Maritime Administration, whose books were so badly handled during World War II that the General Accounting Office never located nearly \$6,000,000,000 of wartime expenditures.

The idea of getting the Government out of business in so far as possible is taking hold.

Rep. Busbey recognizes there is no easy solution. "It is too big a job for any one committee of Congress to handle," he says. "I fervently hope that the commission will be set up to study the spread of Government in business. We need a blueprint as to where the line should be drawn, and how far we can roll back government business activities."

"For, if we can eliminate Government as a competitor—or even partially curb its far-flung activities—it will be the greatest boon that Congress can bestow upon our traditional system of free, independent, taxpaying enterprise."

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WERNER WOLFF—BLACK STAR

HOOK and SLICE

DOCTOR OF THE

When a man's golf game goes to pieces he'll welcome help even if given in his office. Jack Oliver, Long Island pro, does just that

By PAUL GARDNER

DON DAVIS, president of the R. A. Davis Company of Wilkes-Barre, Pa., groaned slightly as he recalled the match. He turned to his secretary.

"I need a doctor," he said. "Get me Jack Oliver at the Engineers Club in Roslyn, Long Island."

Oliver came down and he cured Mr. Davis of his malaise right in his office. The executive was suffering from a common golf complaint—he was "lifting" his head as he putted.

"So I prescribed a plumb line," says teaching pro Jack Oliver, "and it dangled over the ball. Mr. Davis wore it from a strap over his ears. He practiced until he overcame the fault."

Thirty-eight-year-old Jack Oliver, a veteran of 20 years of teaching and 65,000 lessons, is one of the few "golf doctors" extant in the land. He visits "sick" patients on call in home or office, and will travel.

Ham Fisher, the cartoonist creator of "Joe Palooka," once phoned Oliver frantically from Florida. He was in dire straights.

"I'm slicing," he wailed, "and nothing seems to help me. Be my guest."

Oliver was, at the rates which enable him to gross \$30,000 annually, and he studied Fisher's case.

It took him about 20 minutes to correct the situation.

"I had to square off the clubhead going back," explains Oliver.

Since most of America's 6,000,000 average golfers, from President Dwight D. Eisenhower down, will do anything to improve or salvage their games, the ingenious Oliver has almost more business than he can handle. He visits so many offices and homes with his portable equipment that he actually has an Rx, like a doctor's, on his automobile. Only it is an R with a crossing wood head and shaft, and iron head and shaft.

Oliver was driving to his home club one afternoon when a traffic cop stopped him.

"Since when have you been a doctor?" he asked.

Oliver described his extended activities of the past year.

"Okay," said the cop, "expect me over for an 18-hole treatment tomorrow."

Oliver's swift ability to analyze a defect, utilizing the net and other equipment he carries, enables him to set up shop in any room which is at least eight feet high, nine feet wide and 12 feet long.

The whole outfit collapses into a three-foot area and Oliver and interested associates hope to put it on the market eventually.

"If a businessman visualizes the proper swing in his own mind," says the dark-haired five foot six, 165-pounder, "and doesn't get to play for two weeks or so, a little practice, at home or in the office if no other place is available, will help his game."

It may also keep him from becoming lonely. One of Oliver's clients who was baby sitting of an evening while the chap's wife was away called in the instructor.

"Funniest thing you ever saw," recalls Oliver. "His baby sat on a rocking horse and I rocked the baby with my right foot while I gave him a lesson on the use of his irons."

That man is breaking 90 today.

Oliver got into the new form of golf instruction because so many of his customers panted for action on rainy or inclement days. They found this method of prognosis so beneficial that they decided to stay with it. Since Oliver proceeded to bring the links to the man, he has had many challenging experiences.

One Park Avenue manufacturer, smarting from the trouble he had blasting out of sandtraps in his week-end golf, phoned Oliver. The latter barged into the office, flanked by his assistant who was carrying two buckets of sand. He

excused himself, ran out, and brought in a vacuum cleaner.

"What's that for?" demanded the startled manufacturer.

"Don't worry," said Oliver, "for office sand traps, I bring my own vacuum cleaner."

It was the best \$15 lesson, which is what Oliver charges for local visits to home and office, which the business golfer ever enjoyed. And the place was clean when Oliver left.

Teaching is tough enough on the links, but it offers unseen problems in a home. Oliver recently went to Sheila Bond's Lexington Avenue apartment to teach the star of "Wish You Were Here," and every time he swung the club, to demonstrate the cure for her slice, her dog pounced on the ball. The dog had to be walked by the maid in order for the lesson to proceed. The actress' husband was so intrigued by home golf that he also joined the class.

Oliver has had many instances of wives developing an interest in golf because of this teaching innovation. His most amazing case is that of Mr. and Mrs. Mahler. The former is an engineer, once adviser to the War Manpower Commission, and a gifted inventor. Mrs. Mahler, a frail woman, wanted to learn golf when she noted Oliver's success with her husband. He is blind.

"First Mr. Mahler and I had some preliminary talks," said Oliver in discussing this feat lately, "and then we proceeded with lessons at home." Mr. Mahler has wonderful reflexes and in time will be able to enjoy the game.

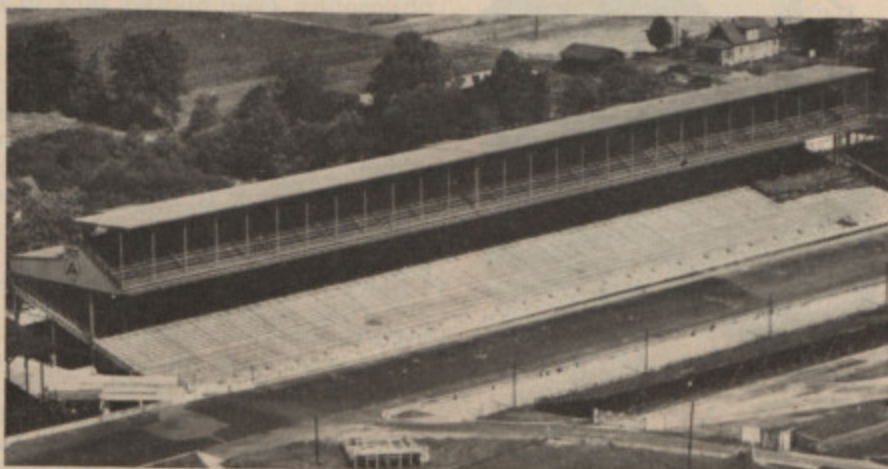
IN this type of teaching, Oliver sets the ball up for the golfer and shows him the direction in which he wants the ball to be hit. He is able to accomplish such results because, as with so many teaching pros, he is a model of friendliness and patience. But, because of this latest twist in his career during the past 12 months, he gets into situations few instructors ever dreamed of.

Jack Barry of the "Juvenile Jury" and "Life Begins at 80" programs had him up to a Radio City studio one evening with all his equipment. It was a good lesson, says Oliver, although he just missed being mowed down by a television camera before a rehearsal.

You may not read about Oliver in the papers for, while he shoots in the low 70's himself, he is one of America's 5,000 teaching professionals as against 40 or 50 touring pros. The teaching pro, lifeblood

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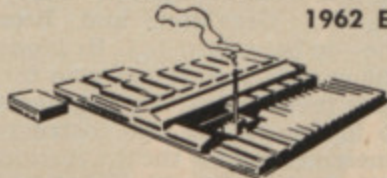
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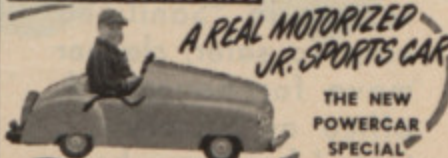
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of the game, is appreciated, however, not only by average golfers but by the topnotchers.

No less an authority than Ben Hogan, the greatest golfer of the era, termed Oliver as far back as 1946 "one of the finest instructors in golf." Hogan, upon whom Oliver patterns much of his game and golf philosophy, even quoted Jack in a newspaper column.

"I asked Jack for some words of advice to pass on. Here's the gist of what he said: 'Beginners should concentrate on all shots and be satisfied with one good shot a hole. The tendency is to try to beat the game too quickly.'"

FROM his thousands of lessons and visits to gentlemen with golfing ills, America's unique golf doctor stresses basic precepts as the panacea for recurrent ills.

Oliver's basic view of the game, which he tries to impress on his patients in trying to pull them back to golfing sanity, is that the principle in the putt is the same principle which must be employed in hitting every shot.

"You should start every swing like you start a putt," maintains Oliver, "thus insuring a squared blade and a picture of the direction in which the ball is going."

Simple, eh?

As to stance, Oliver points out that all too many of his businessmen patients stiffen the right knee when they swing back. They do this instead of keeping the knee flexed and using it as a turning post.

He has many calls to correct such fundamentals.

Oliver lives with his wife, Carmela, and his four children—Mary, John, Jr., Geraldine and Rose Marie—in Laurelton, L. I. He is one of the game's busiest golf pros for, besides teaching at the Engineers Club in Roslyn, he also instructs businessmen at the Crescent Health Club in Brooklyn, and has a driving range in Oceanside, L. I.

Golf has always been in his blood. Raised in an orphanage, he was caddy as early as eight.

"In fact," he says, "I toted bags for Walter Hagen and Gene Sarazen when I wasn't much more than that."

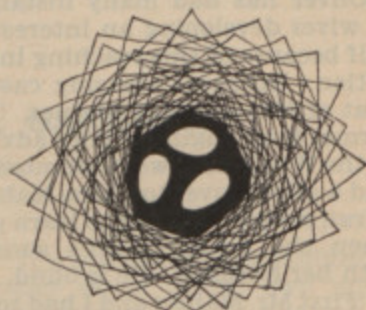
While Oliver has taught all types, his primary concern is with businessmen golfers. And he has long discovered that one does not have to be an exceptional athlete to be a golfer.

"I've taught many people," he declares, "who never did anything athletic in their lives and yet developed into excellent golfers.

Their will to learn is great and they are patient. This applies especially to businessmen. Patience, of course, is vital in golf. When a fault is spotted in the golf swing, a person should work on that one particular error until he has rectified it to the extent that he does it well automatically."

Oliver's specialty is his knack for discovering the mistakes which ordinary golfers are heir to and, instead of generalizing, applying particular remedies. But he is aware of all kinds of mistakes, since, at his Crescent Health Club indoor headquarters alone, he averages 1,500 lessons from November through April to clients approximating 45 years of age. At clubs and auditoriums he has lectured on golf fundamentals to audiences up to 2,000.

"One of the major faults I find among so many average golfers,"



says Oliver, "is that they confuse the chip and the pitch shots. I believe that can make a difference of between 10 and 12 shots a round."

Oliver says that you should chip from within a ten-yard radius of the green, and pitch from within ten to 50 yards out.

"A chip is played with an open stance," he emphasizes, "that is, the left foot is pointed out towards the direction in which you shoot, and the right foot is also slightly pointed out in the opposite direction. The ball is played from behind."

"The right arm must be close to the body," he adds, "and both elbows loose; hands on the club but not tight. When executing this shot, there is no wrist action but a feeling of bowling the ball underhanded to the spot at which you wish it to drop. This is one of the most helpful of all shots."

The average man, Oliver points out, can't put backspin on the ball because he doesn't play enough. Since he gets a lot of roll, he must select a spot where he wants the ball to bounce.

"As for the pitch," observes

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Oliver, "it is the same as an iron shot. But you hold the club shorter if you want it to go shorter. You just take the club back squarely and deliver your blow as you would an iron shot, right into the ball. And the right hand, you will find, rotates at the conclusion of the shot."

It is something to watch Oliver push back a desk, remove an inkwell, and ready an office for the demonstration of proper shots.

"Week-end golfers," he notes, "often hold their hands too tight when they chip, jab the shot, or fail to keep an even rhythm during the swing."

"With the pitch, they try to lift the ball, instead of hitting squarely into it."

"Another common mistake today," he says, "is that many golfers are wedge crazy. For the good golfer, who plays often, the handling of the wedge is no problem. But the average man who doesn't feel the difference in the weight of the club head and who doesn't possess the feel that this delicate shot requires, loses many a stroke."

Oliver also warns his clients in office and on the links against hitting the ball hard.

"You may catch one real well," he says, "but you can't continually strike the ball at that rate of speed and be consistent."

That's why, he declares, women are actually better golf pupils than men.

"They don't try to murder the ball," he says.

IF YOU are too busy at the office to get in enough play at the club to retain your touch, the use of portable equipment may be the answer in the future.

"Maybe some day," Oliver predicts, "every office will come equipped with an indoor net. A businessman, able to blast the ball for an hour, may smooth out his swing. There could be an outdoor set for the lawn, too. And, in case of rain, one might use it in the garage, basement or playroom."

The optimistic golf diagnostician believes that there is hope for all in the most humbling, most pleasant and most elusive of sports.

"You can be a champion in your own league," Oliver will tell an anxious client, "if you remember that driving a golf ball is like driving a car."

"You must have control of the direction in which you want your car, or your golf ball, to go. And, to have control of the ball, you must have control of yourself."

Oh doctor!

END

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Ike Likes Them Young

(Continued from page 41)

had his nose back at the White House grindstone early the next morning.

Just as enthusiastic and hard-working as Mr. Willis and Mr. Rabb, are the other two members of Ike's youthful Four Horsemen of the White House, Emmet J. Hughes, 32, and Gabriel Hauge, 38, each of whom is an Administrative Assistant to the President.

Mr. Hughes, who was born in New Jersey, educated at Princeton and Columbia universities, and took leave of absence from the editorial staff of *Life Magazine* to go to work for President Eisenhower, is a gray-eyed rather quiet young man. But he displays no end of vim when he starts pounding a typewriter. He writes all of the President's public utterances from State of the Union addresses to messages to the Girl Scouts, and it is generally conceded by Democrats as well as Republicans that he does so with much dash and gusto.

IN constructing a major speech for Ike, Mr. Hughes told me he sometimes confers with every member of the cabinet, and he also works in close liaison with the State Department, because the President's words often have international repercussions. But once he starts writing, he turns out lively prose at an amazing clip.

Sometimes referred to as the outstanding "boy wonder" of the Administration, Mr. Hughes was press attaché of the American embassy in Madrid during the war and also served in the Army's military intelligence unit attached to that embassy. He is a Catholic and author of a widely-read Catholic book, "The Church and the Liberal Society," but has spoken out strongly against Fascism in Spain.

Mr. Hughes collects etchings as a hobby and spends at least two hours reading European history every night when he gets home to his brick colonial house in Chevy Chase, Md. He is married, but unlike most of his young Republican confreres, has only one child to date, a three-months-old daughter.

Minnesota-born Gabe Hauge is more typical in this respect. He has four small children, including two-year-old twins, whom you can see him airing in Washington parks on Sunday afternoons when he is lucky enough to get a few hours off from his work.

Mr. Hauge is the President's personal economics shark. A blond, squarely-built, bespectacled chap who used to teach at Harvard, he represents Ike at many conferences and keeps him abreast of economic developments in the Government and the world at large.

He is credited with having a genius for translating academic gobbledygook into simple English and he saves Mr. Eisenhower much time by briefing him quickly on matters which might otherwise take him hours to digest. Because of his services in this line, Mr. Hauge's friends think he is probably doing as much to speed and simplify the work of the Chief Executive's office as any man on the President's staff.

Outside the White House, scores of other zealous young Republicans are slashing at red tape and attempting to bring new order, efficiency and economy to Washing-



ton. To what extent they will succeed remains to be seen, but several of them have gotten off to promising starts.

In the Department of Justice, for example, Deputy Attorney General William P. Rogers, 39, already has taken steps to improve office production. Soon after his appointment, he told me, he found that a large proportion of the 1,200 lawyers who work under him were extremely lax about office hours. They were supposed to get to work at 9 and stay until 5:30, but for many years a theory had prevailed that lawyers are a special breed of mortals who think for a living and can do their thinking just as well outside their offices as in them. Consequently, hundreds of government attorneys got to work late, quit early, and took unreasonably long lunch hours.

Rogers put a stop to that. He decreed his legal helpers should do their cerebrating in their offices and keep the same hours as everybody else. He is hopeful that, as a result, they will get so much work done that Justice eventually won't

have to keep such a horde of them on its payroll.

The youthful Mr. Rogers is also introducing several short cuts in office procedure. It used to be that when J. Edgar Hoover, Director of the Federal Bureau of Investigation, wanted to see the income tax return of a criminal or suspected criminal he had to get the permission of the Attorney General before he could ask the Bureau of Internal Revenue for the return. Now Mr. Rogers has so arranged it that the F.B.I. can go directly to Internal Revenue without having to move through the Attorney General.

AS another efficiency measure, Mr. Rogers is seeking legislation to simplify the procedure by which thousands of private relief bills dealing with immigration cases are handled every year. These bills, most of which are initiated by American citizens who wish to have foreign relatives admitted to this country, now have to be reported on at great expense by the Attorney General's office. Mr. Rogers wants to revise the system in such a way that the Commissioner of Immigration can take them directly to Congress.

A tall, handsome, blue-eyed young man who was born in upstate New York, Mr. Rogers worked his way through Colgate University and the Cornell Law School, spent four years in the Navy, worked for a large New York City law firm, and served as chief counsel for a Senate investigating committee. He houses his wife and four children in a home he bought recently in Bethesda, but like the other young men he's going at such a pace that he has little time for family life.

In the Department of Commerce, 33-year-old Stanley M. Rumbough, Jr., Special Assistant to Secretary Sinclair Weeks, is just as hell-bent as Mr. Rogers in hunting for more efficient ways of conducting Uncle Sam's business. He has already found at least one.

When he first took office, Mr. Rumbough was fascinated and flabbergasted by the wide assortment of Department of Commerce letterheads which came to his desk. Formerly the president of a sizable metal tube manufacturing company in New Jersey, he had never seen anything in industry like the variety of beautifully embossed Department stationery of different sizes, shapes, colors and lettering.

Mr. Rumbough asked one of his secretaries to collect a sample of each of the different letterheads

used by the office of the Secretary of Commerce. He discovered there were 38 of them in all. When spread out, they covered a big conference table.

Now, the Secretary of Commerce is going to get along with a lot fewer and less expensive letterheads in the future, and the same economy will be practiced in other government departments. Young Mr. Rumbough—who was a 51-mission Marine fighter pilot during the war, has three children, and worked with Mr. Willis in organizing Citizens for Eisenhower—told me he considered his letterhead achievement a trifling one compared to what he hopes to accomplish.

In the Treasury Department, Nils A. Lennartson, 37, Special Assistant to Secretary George Humphrey, is also putting into effect some minor but significant efficiency measures while figuring how he can get in bigger strokes.

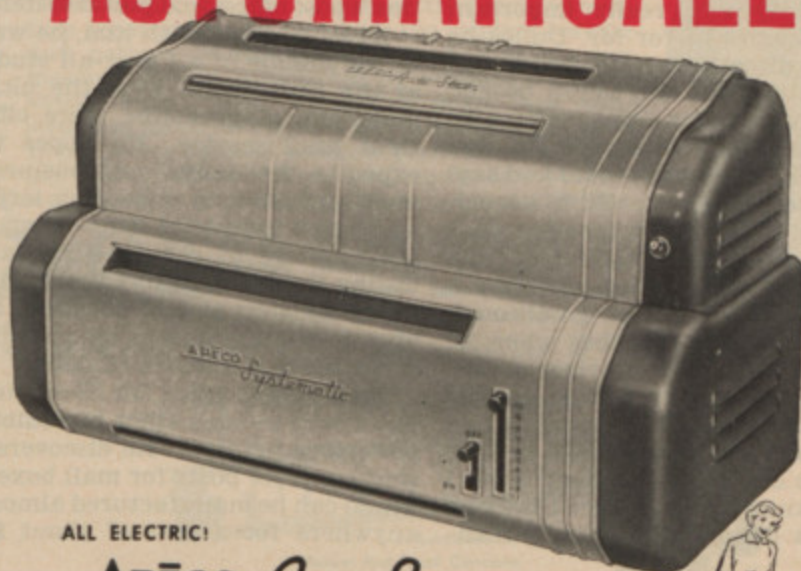
For one thing, Mr. Lennartson discovered that every important document reaching Secretary Humphrey's desk bore a long array of typed letters and symbols which were supposed to indicate the various officials who had seen the document. But the letters were in a code which was incomprehensible to the Secretary, Mr. Lennartson and virtually everybody else. Consequently, the young man tossed the code out of the window and now simply attaches to each document a small "buck sheet" which those who read it initial.

Mr. Lennartson, who is a native of Massachusetts and a graduate of Bates College and the Air Force, worked for New England newspapers and the Maine Central Railroad before going to Washington. He and his wife live and raise chickens on a small farm which is only a mile from George Washington's home at Mount Vernon, Va. His only grievance about his job in the Treasury, where he literally sits on top of billions of dollars, is that he's nearly always short of cash. That's because he can seldom find time to go across the street to the bank where he has his account.

LIKE Mr. Lennartson, a lot of President Eisenhower's young men fresh from the industrial world have been staggered by the complexity of bureaucratic procedure, and some of them are floundering like lost babes in forests of government paper. But the majority are trying manfully to hack new short cuts through the woods.

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O'Connor, who is Special Assistant to Secretary of State John Foster Dulles. He was pretty appalled when he first took his job, he told me, to find that virtually all old State Department hands have an uncontrollable passion for writing memos, and that every piece of paper reaching Secretary Dulles had to pass through 34 "in" baskets on other desks before it got to him.

Mr. O'Connor has not yet been able to reduce the number of memos or "in" baskets, but he's found ways of getting around them. When a really important paper comes in for Mr. Dulles he puts it directly into his hands, not letting it touch anybody's basket, and instead of writing memos he corners the Secretary on his way to lunch or the wash room and says what he has to say right in his ear.

A thin, balding, somewhat dour young man who graduated from Yale Law School and once had a piece of German flak go through the seat of his breeches when he was an Air Force navigator, Mr. O'Connor was frowning angrily about all those "in" baskets when I left him. Whether or not he'll be able to do anything about them I don't know, but the fact that he's got his dander up about bureau-

cratic rigmarole would appear to be an encouraging sign.

Radical changes will almost certainly be made in the Post Office Department by still another young newcomer to Washington, Charles R. Hook, Jr., 39, who is Deputy Postmaster General. Formerly a vice president of the Chesapeake and Ohio Railway, Mr. Hook has a much bigger job today as second in command over a vast department which employs 500,000 persons and operates 43,000 large and small business establishments—the nation's post offices and postal system.

When I talked with him, he was in the middle of an over-all study of the department with the ultimate aim of providing more efficient mail service. He hopes to expedite the delivery of business mail somewhat by educating large and small industrial firms to mail their letters at regular intervals during the business day instead of dumping them at post offices all at once in the evening as many concerns make a practice of doing.

Since taking office, Mr. Hook has put a stop to one rather incredible post office practice. He discovered that concrete posts for mail boxes, which can be manufactured almost anywhere for a cost of about \$4

each, were being transported long distances over the country at shipping costs which sometimes amounted to as much as \$44 per post. Thanks to this alert young business executive, there'll be no more of that. From now on, mail box posts will be manufactured much closer to where they are going to be stuck in the ground.

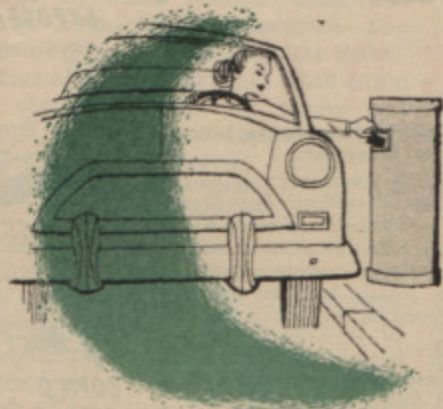
INCIDENTALLY, Mr. Hook is the son of the chairman of the board of the Armco Corporation, was one of Robert Young's "Young Men" when that stormy petrel of the railroad world reorganized the Chesapeake and Ohio, and, like the majority of President Eisenhower's youthful appointees, was selected on merit alone, never having been active in politics prior to his appointment. He is a Cleveland, was educated at Yale, has five children, has rented a house in Georgetown, and often smokes a corn-cob pipe in his huge walnut paneled office.

In another post of great importance where the fate of millions of dollars of taxpayers' money is decided you will find H. Lee White, 40, Assistant Secretary of the Air Force in charge of management. A highly articulate but modest young man, he told me he had never before been interviewed by a magazine reporter and said he attributed much of his success to a dog.

Back in 1937, when Mr. White had just graduated from Cornell Law School, he went into practice in Binghamton, N. Y., and represented a client whose dog had been killed in an accident. He won the case and made such a favorable impression on the opposing counsel, a prominent Binghamton attorney, that he offered him a job. That job led to another, after Mr. White had served four years in the Navy, with the famous New York City law firm of Cadwalader, Wickersham and Taft. Mr. White rose to a leading position in the firm and, when he resigned to go to Washington, he did so at a heavy financial sacrifice like so many of President Eisenhower's key aides.

Like Mr. Hook, Mr. White was not in a position to discuss broad reorganization plans which he had under study, but he said he was up to his ears in work and added, soberly, that there is no place on earth he would rather be than in his new job. He thinks the next two or three years will be the most critical in the nation's history and he wants to be in a position where he can do everything he can to help preserve our way of life.

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AN UNUSUAL system of curbstone banking has been installed by the Mercantile Bank and Trust Company of Kansas City, Mo., to solve the problem of peak-hour and off-hour business and provide a convenience for housewives.

The housewives, like tradesmen, find the new operation pleasant because they can do their business with the bank with little time or effort or "dressing up" to go downtown. Unlike banking by mail, under which most banks frown on cash deposits, the system embraces currency as well as checks or important papers. Parking is eliminated, too.

The depository stands on the curbstone. The receptacle is a hollow steel tube, about three feet high, and having the diameter of a city power pole. Deposits placed in a slot drop through the tube into a vault under the sidewalk.

The new "drive-by, walk-by" depository is constructed with inside pronged devices which permit deposits to pass through but prevent anything from being pulled upward. Deposits can be made at any time—Sundays, holidays, day or night—merely by stopping at the curb and reaching out the window of a car.

—Carl E. Christensen

tion to their jobs and a willingness to work any old hours to fulfill their responsibilities are perhaps the two most common characteristics of Ike's young men. In the youngest of them all, Robert D. Ladd, 30, who is Executive Secretary to Vice President Nixon, these traits are just as manifest as in the others.

A tall, bristling redhead from Tulsa, Mr. Ladd holds a post which is expected to become increasingly important because President Eisenhower has promised to give Mr. Nixon more power than any Vice President has had in 100 years.

But Mr. Ladd may play a more important role as No. 1 procurer of more young men for Washington jobs.

HE was formerly executive vice president of the United States Junior Chamber of Commerce, in which capacity he ran what amounted to a \$500,000-a-year "business," and he knows literally hundreds of up-and-coming young businessmen over the country. He is expected to suggest the names of many of them to President Eisenhower and Mr. Nixon as more government jobs open up.

"We're going to pick the very best men we can," he said, "regardless of party. But," he added, with a grin, "of course most of them are Republicans."

Mr. Ladd is married, has three children, served overseas with the Army during the war, and was employed as assistant research director of the National Dairy Products Corporation before going to work for the Jaycees.

I have not even enumerated all the prominent members of Mr. Eisenhower's youth brigade whom I met in Washington. In the new Department of Health, Education and Welfare, Secretary Oveta Culp Hobby's No. 1 assistant is Jack Beardwood, a 38-year-old California businessman. In the Department of the Interior, you will find Edward D. Frye, 33, of North Dakota, playing an important role in the supervision of our water and power resources. In Agriculture, a youthful ex-farm boy from Indiana, Don Paarlberg, has replaced Louis Bean as top economics adviser to the Secretary.

In every department, other young men comparable to those I have mentioned are starting to make their weight felt. It cannot be maintained that they are taking over Washington, but the trend toward more youth in the Government is a very definite one. **END**

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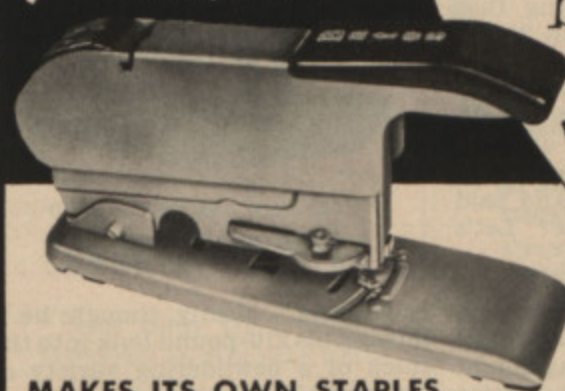
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From Pit to President

(Continued from page 35)

Because he so devoutly believes in "the team," Mr. Bowditch goes uncomfortably silent when his own role in the affairs of the two companies is brought up. Others, however, are impressed by his boldness and imagination. As one of his colleagues puts it, "Dick has ten ideas a month and you can never trust yourself to overlook any of them." However, it was the team's idea, for instance, to build aluminum truck bodies for hauling coal, a strategic maneuver which gave Sprague and Son trucks an extra payload of 1,000 pounds, and he is constantly encouraging the development of new techniques and machines for the handling of ships' cargo on his company's docks.

IF THE occasion invites it, Mr. Bowditch can also be a formidable risk taker, and he occasionally surprises even himself with the chances he will take if the potential return is there. In 1946, to cite one of his more daring leaps into the unknown, the Treasury Department asked for bids on the coal being shipped by the United States to Europe. Mr. Bowditch and his key men met in his office to discuss the extent of Sprague and Son's participation.

The meeting opened with someone's tentatively suggesting that the company try to obtain 25 per cent of the allotment, and there was a meditative silence. Someone else proposed bidding for a half, and some eyebrows shot up. Mr. Bowditch pursed his lips for a moment, then spoke up and said quietly, "Why waste time? Let's bid it across the board."

It was a long shot, and probably no one was more astounded than Mr. Bowditch when the Treasury Department awarded Sprague and Son a contract to supply the entire amount of coal that Europe at that time was to take from the United States. In order to meet the staggering demand, Sprague and Son bought coal in every section of the nation, assembled it, and shipped it out of whatever ports were available.

At one point, the company was funneling coal in a steady stream through ports all the way from Seattle in the Pacific Northwest, to Pensacola on the Gulf, to New York on the Atlantic. Everything considered, it was not only a successful undertaking but an

emotionally satisfying one as well. In the last analysis, the fires that were coming up in hearths and factories all over beleaguered Europe were being lighted from No. 10 Post Office Square, Boston 9, Mass., the headquarters of the C. H. Sprague and Son Company.

A resident of Cambridge, Mr. Bowditch is married to the former Mabel Rantoul, a great-granddaughter of James Russell Lowell. They have three sons. Unfortunately, he moves about with such long strides and sudden changes of direction that he is seldom able to relax at their home, which he cheerfully calls "the ugliest house on the street but we like it."

However, Mrs. Bowditch occasionally presses him into service as an assistant gardener. He also skis when he can, which is not often, and once or twice a year he goes out for a round of what he calls "Civil War golf": "Out in 61 and



back in 64." Mostly, though, he is hurling his 210-pound bulk into the thick of a bewildering variety of more serious activities.

The force with which Mr. Bowditch generally hits is such that someone described him not long ago as a "mover and shaker." It was an apt phrase, although it didn't actually indicate the really enormous head of steam he is capable of generating when he sets out to move a mountain.

On the other hand, he himself is the first to concede that in his early years he was something less than a young man of heroic promise. His immediate trouble was a case of wanderlust, which, though eventually cured, nevertheless post-

poned his introduction into the workaday world.

He was born in Milton, Mass., the son of Ernest W. Bowditch, a prominent and comparatively well-to-do civil engineer and landscaping expert. From his father he inherited a distinguished Yankee name. His great-grandfather, for example, was Nathaniel Bowditch, the famous shipmaster, businessman and scholar whose book of navigation tables is still in use by the U. S. Navy after 150 years. It is referred to by seamen everywhere simply as "Bowditch," although its actual title is "The New American Practical Navigator."

The young Bowditch was educated at Hotchkiss and the Massachusetts Institute of Technology, where he studied business methods slightly flavored by the engineering approach. Although he was conscientious enough, he felt no great pressure to rush into a job after leaving MIT. Instead, he went to the Orient for eight months, traveling through Japan, Korea, China and India before coming home again with \$8 in his pocket and a rousing case of jaundice. It was while he was recuperating from the jaundice in a Boston hospital that his future was determined.

As often happens, the die was already cast. Mr. Bowditch's father had died when he was 16. The man in Boston for whom he had the greatest affection and to whom he often turned for counsel was Phineas Sprague, the president and son of the founder of C. H. Sprague and Son. One afternoon, Mr. Sprague visited him in the hospital. In the course of his visit he asked the young man what he intended to do when he recovered from the jaundice. Mr. Bowditch answered that he wanted to get a job somewhere, but he was rather vague about it. Mr. Sprague, in turn, suggested that he accompany Mr. Sprague's son on a trip to West Virginia.

HIS first descent into a Logan County, W. Va., coal mine at the age of 23 was a memorable one. His immediate reaction was one of relief that he didn't have to work in the musty dampness. His second was to wonder idly if he could stand the work. That did it. He decided the only way to find out was to try it. Mr. Bowditch has been in the coal business ever since. His first job underground was that of a trapper boy, whose job was to open and close the heavy doors in the haulage ways regulating ventilation. As he moved up the scale by

Mr. Bowditch might have gone back to Boston then, but he wanted to learn more. From Morgantown, he went to Norfolk, Va., and got a job in a testing laboratory, where he analyzed various types of coal for its ash, volatile matter and other qualities. Then the Seaboard Railroad sent him to Alabama to inspect the mines from which their locomotive coal was being taken. At last, he returned to Boston.

THERE, at Mr. Sprague's invitation, he began what has obviously been a rather spectacular career with Sprague and Son as a not-so-spectacular cub coal salesman. He peddled carload lots out of Providence, R. I., to retail dealers, factories, and on jackpot days, to the railroad, whose appetites for coal at certain times could naturally be ravenous. He developed into an outstanding salesman, and he began moving up through the ranks with increasing momentum. His rise in the company was far from automatic, being based on a good deal more than celestial pull, but it was nonetheless swift. Some indication of the speed with which he advanced can be gleaned from the fact that he was president of the steamship company when he was barely 34 and was only 35 when he became the head of Sprague and Son.

Mr. Bowditch was especially fortunate, as he himself now realizes, to drop into his proper niche at the outset. His job in both companies is essentially to distribute produce of one kind or another, and even as a boy the sight of a freighter

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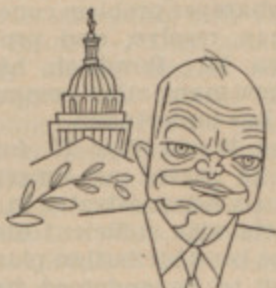
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loading for foreign ports or a string of freight cars loaded with merchandise could make him almost dance with delight.

He retains today his fascination with transportation and the production of goods in bulk. It is not uncommon even now to see this hugely successful executive standing wistfully on a dock, gazing with wondrous admiration at a rusty freighter discharging cargo.

SINCE he is president of three Sprague companies, chairman of the board of the Imperial Smokeless Coal Company and a director of seven others, including the Boston and Maine Railroad, the First National Bank of Boston, Pacific Mills, Sylvania Electric Products, American Research and Development Corporation, Mr. Bowditch might reasonably be expected to have no time left in the standard 24-hour day for anything else.

What is genuinely remarkable is that his reputation as a business dynamo is no greater than his reputation for performing prodigiously in various public service projects. The phrase, "Richard L. Bowditch, chairman," appears on the rolls of New England committees almost as regularly as committees are formed. He is an ex-president of the New England Council, an organization supported by some 2,500 business firms to tackle whatever problem concerted effort can resolve, and probably not even Mr. Bowditch himself knows how many other community jobs he has undertaken.

During World War II, for example, he served as Emergency Solid Fuels Administrator in Massachusetts with sufficient distinction that his distribution plan was the first to be endorsed by the federal Government and was subsequently followed by a number of other states.

Mr. Bowditch is still inclined to laugh over a setback he suffered during this same period as fuels administrator. It grew out of nothing more serious than the paper route conducted by two of his sons, Richard, Jr., and Nathaniel.

Richard, Jr., fell ill one winter morning. He was unable to work his side of the street. In the breach, Nathaniel pressed his father into service on an English bicycle. Not only were Mr. Bowditch and the bicycle dangerously incompatible, but he missed a front porch with a paper he was endeavoring to flip from the street. The lady of the house popped her head out of the window contemptuously as Mr. Bowditch came up to retrieve it.

She looked at the bulk of Massachusetts' solid fuels administrator with undisguised curiosity.

"Are you the new paper boy?" she asked.

"Yes, ma'am," Mr. Bowditch replied, dutifully.

"Hmmmph," the lady sniffed, drawing back from the window. "I should think a big boy like you would have a war job."

"Yes, ma'am," the red-faced Mr. Bowditch said, riding precariously off to the next house.

The contretemps on the paper route in no way dimmed Mr. Bowditch's sense of civic responsibility, fortunately, and he is still a "shaker and mover" of the highest order.

He is especially pleased when a Sprague employe goes into some phase of public service. His reasons are threefold, and, like most of his philosophies, are as basic as beans and brown bread. "It's good for the community," he says, ticking off the first reason. "It's a broadening experience for the individual. And it's good advertising for the company."

MOST recently, his interest was focused on the problems of Northeastern University, a school which has grown out of the railroad tracks in Boston. It appeals to Mr. Bowditch because of its struggle to provide educations for young men and women of limited means, and because he is an ardent believer in the proposition that business and education are, as he puts it, "co-partners in progress." He was general chairman last year of a committee that raised funds for a \$1,500,000 library at Northeastern, and he is now one of the supporters of a bill in the Massachusetts state legislature which would permit corporations to give a small percentage of their net profits to schools in need of funds.

Over a longer span, his most pressing interest as a leader in the Chamber of Commerce has been the improvement of business relations between the United States and Canada.

It is not likely that many Americans know Canada and Canadians as well as Mr. Bowditch. He feels the American and Canadian economies might profitably in many ways be brought closer together, that they might be quite closely integrated without in any way jeopardizing the sovereignty of either nation.

A big job? Yes. But not impossible if there's teamwork behind it—and the coach is Richard Lyon Bowditch.

END

Mass Transportation or Mess?

(Continued from page 33)

United States. Philadelphia has shown other municipalities whose central core is menaced by decentralization one simple, inexpensive way to help stem the trend. Already a score of communities have sent experts and observers to Philadelphia to see for themselves the effects of the tradition-breaking experiment.

The curb parking ban—it must be emphasized—is but one treatment, and not a cure for either the transit or traffic crises. Nonetheless, the Philadelphia story represents a genuine gesture by local government to ease not only the traffic jam but to assist its transit system, at a time when most municipalities are still feuding with their own transit utilities over rates, rights, fares, taxes, and the like.

THE ironic fact is that the cities and the transit systems are both suffering from the same disease and should be working together to find a cure.

In 1940, some 32,000,000 motor vehicles were registered in the United States, and the cities already were groaning that their streets were unable to handle the traffic congestion.

In 1952, a total of 53,000,000 autos and trucks were jamming streets and highways. By 1969 according to the Department of Commerce estimates our roads will be clogged with 100,000,000 vehicles.

The widespread ownership of autos stimulated the movement of city folks into the surrounding countryside; and at the same time, the steadily worsening central city traffic congestion discouraged the suburbanites from coming downtown for their shopping. This, in turn, accelerated the rise of suburban shopping centers, further attracting city dwellers into the suburbs. The resulting loss of customers by the central city business core has deteriorated downtown property values, thereby cutting municipal tax revenues.

In many cities the reduction in tax revenues is aggravated by the steadily increasing demands for expansion of public services—such as schools, water supply, sewage facilities, etc.—to meet the needs of the expanding fringe areas within the municipality or county.

Meanwhile, the transit industry has been victim of a similar vicious circle. As motor vehicle registra-

tion has mounted, passenger volume on streetcars and buses has declined, from a wartime high of 23,000,000,000 riders in 1946 to 15,000,000,000 in 1952; the prewar passenger level in 1941 was 14,000,000,000. Thus, while the nation's population increased by more than 10,000,000, transit traffic increased in 11 years by only 1,000,000,000.

The loss of passengers, together with the inflationary postwar increase in the cost of labor and materials, forced the transit companies to raise fares. Each rate increase—as many as seven on some systems since the end of World War II—in turn reduced the number of passengers. At the same time, the spread of population to the suburbs created pressure for the companies to extend their bus runs into comparatively sparsely settled areas where passenger volume was insufficient to pay for the cost of servicing the routes.

As a result, since 1945 the transit industry has had rough riding. Few of the 1,641 operating companies can report a "fair profit." With an over-all investment of \$4,000,000,000, the industry in 1951 produced a net return of only 1.18 per cent, the worst showing for 70 major industries excepting only shipbuilding. Since V-J Day, some 90 privately owned transit companies have given up. Others have been running in the red for years, faced with or tempted by bankruptcy. Pacific Electric of Los Angeles, for instance, has lost money for four consecutive years, the deficit totaling \$14,000,000. Of 27 transit lines in Massachusetts, 21 have lost money for three out of the past five years.

LOSS of passengers is the chief cause of the transit industry's decline. Attempts to replace streetcars with more flexible buses, with more comfortable vehicles, with other improvements in service, have been inadequate to cope with the strangulating effect of traffic congestion. In San Francisco, for example, the Municipal Railway tore up its trolley tracks on one route, repaved the street, and put on new buses to attract riders. The move proved to be profitless, because the improved thoroughfare also attracted more autos and created a bigger traffic jam.

Besides the increasing competition from the auto, however, the transit industry also has been hurt

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by the general application of the five-day work week, seriously reducing Saturday transit business. Sunday always was a poor day. Meanwhile, the hard-pressed transit utilities have discovered two other rivals for the attention of their prospective evening riders: television and outdoor movies. These two expanding rivals have practically brought night service in Birmingham, Ala., to a standstill, according to N. H. Hawkins, president of the Birmingham Transit Company.

WHILE suffering from a 35 per cent decline in passengers, the transit industry since V-J Day has been painfully experiencing a steady rise in the cost of doing business—not unlike other industries. The cost of transit labor has shot up more than 100 per cent in some cities and the cost of labor represents more than 65 per cent of the transit industry's annual operating expenditure. Cost of replacement vehicles and fuel has also risen sharply.

Unlike most other industries, however, the transit utilities have not been able to catch up with their increased costs. For example, between 1942 and 1952, the Louisville Transit Company was forced to raise operators' wages from 81 cents an hour to \$1.50; laborer wages from 63 cents an hour to \$1.27; diesel fuel prices from 10.4 cents per gallon to 19.9; gasoline prices from 14.125 cents per gallon to 20.85. And cash fares rose from ten cents to 13.

In some cities, the cash fare has zoomed to 20 cents—Chicago, Detroit, St. Louis, Minneapolis, Cincinnati, Seattle, and Kansas City. Some transit experts predict a 25 cent rate in some cities by the end of 1953. But there's a practical limit to increasing fares because each boost squeezes out a percentage of riders, who walk, take to their own autos, or form car pools.

Ratewise—and fares are the principal source of transit revenue—the major drawback to keeping operating revenues abreast of operating costs has been the traditional reluctance of the rate-regulating agencies to come up with reasonably quick decisions. Transit companies generally must show an actual operating loss before obtaining rate relief. Requests for boosts have been kicked around in some cases for more than two years. A ten-month lag between application and effective date of a fare increase is fairly common. Too often, as a result, by the time the transit utility gets the rate in-

crease, it is so deeply in the hole it needs another fare boost to get out from under.

Transit experts figure that a four months' delay of a request for a 25 per cent increase in fare—say, raising a 12-cent fare to 15—is equivalent to the utility's maximum allowable return (seven per cent) for 18 months.

Part of the regulatory lag comes from slow procedures and drawn-out hearings and rehearings. More delay stems from the obstructionist tactics of the municipal authorities, who, without offering to help the transit utility in other ways, stubbornly oppose all fare increases.

At Nashville, the local council refused to grant the Southern Coach Lines a fare boost, and the transit firm immediately announced it would cease operation. The Nashville *Banner* observed: "Maybe councilmen, infatuated with a sense of triumph at this chaotic pass, now will volunteer to carry Nashville's thousands piggy-back."

The Hatfield-McCoy relationship between many local governments and their transit utilities repeats

"Persons whom we criticize as rank opportunists are those doing at once what we planned to do yesterday."—Shannon Fife

itself in their annual arguments over taxes. The transit industry complains it is soaked by excessive taxes for reasons no longer existing and, in some cases, long since forgotten. Most irksome of these levies, in the eyes of the industry, is the "outrageous" and "confiscatory" gross receipts or franchise tax.

The city fathers—and sometimes state authorities as well—slapped the one to five per cent gross receipts tax on the transit utilities back in the pre-automobile "good old days" when the car lines held a tight monopoly on mass transportation. It was a special tax levied for the use of city streets and for the privilege of doing business. (In Rochester, N. Y., a two per cent gross receipts tax was levied on the transit company to help maintain the unemployed.)

"The gross receipts tax is the easiest method of tax collection and that is its only excuse and only justification," says Powell C. Groner, president of the Kansas City Public Service Company. "In many instances it is actually a

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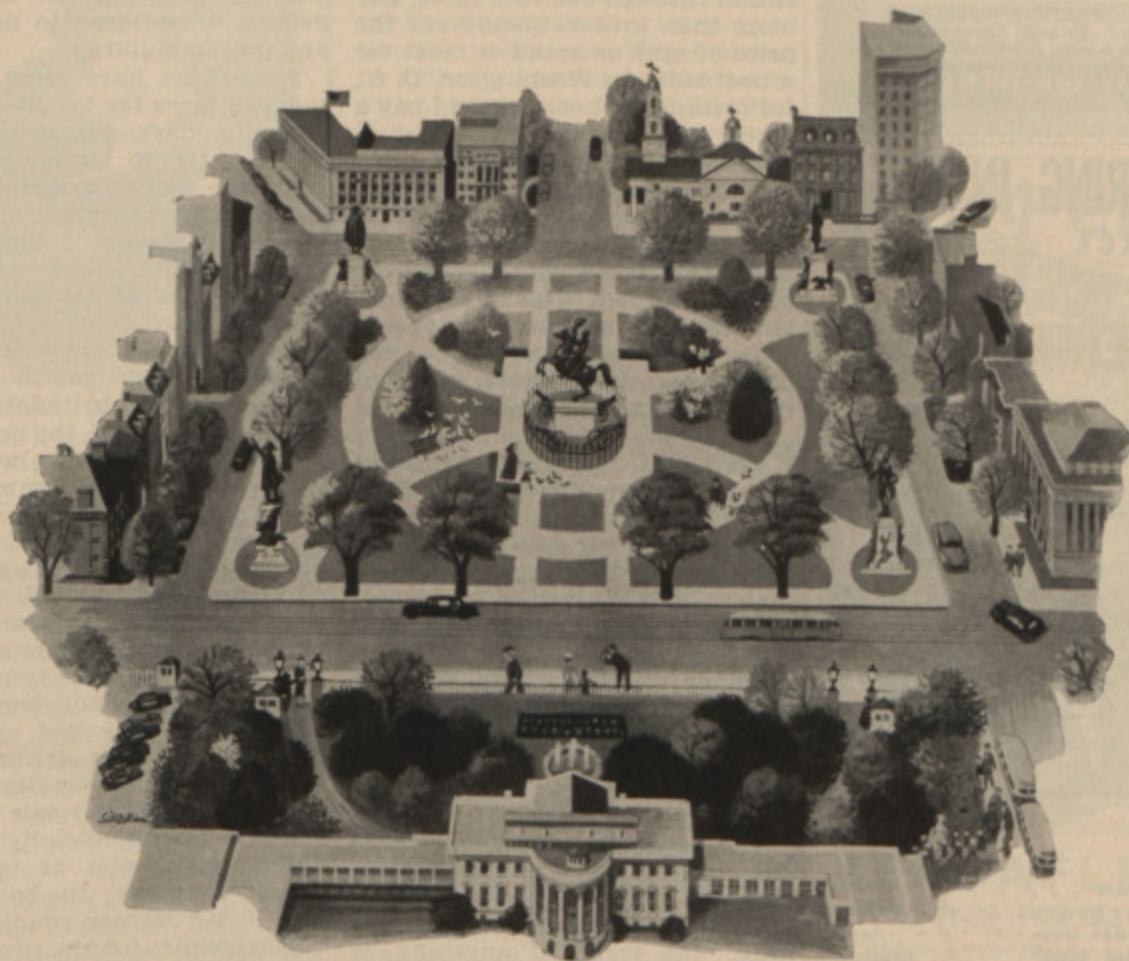
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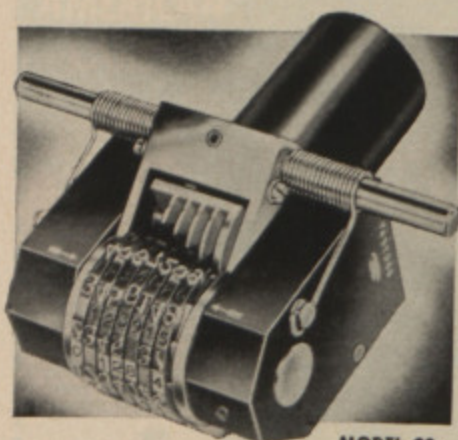
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capital levy rather than a tax for a privilege, and certainly a privilege to operate at a loss is no privilege at all."

For this privilege, the St. Louis Public Service Company paid \$1,058,000 in gross receipts taxes in 1951—twice its earnings.

There are other "soak-the-transit" taxes that rankle the industry, taxes which, since the end of World War II, have spelled in many areas the difference between profit and loss. Some cities tax their local transit companies to maintain, or help support, the traffic police, public parks, street cleaning, street sprinkling, snow removal, street lighting, bridge construction, etc. These levies are in addition to the regular federal, state, and local taxes carried by any business firm.

Harley L. Swift, president of Harrisburg Railways, says total taxes account for 19.93 per cent of his basic fare. The tax on *luxuries* is only 20 per cent, he points out.

The transit men also insist there's no longer any valid reason for a utility to subsidize public education through cut-rate fares, any more than grocers should cut the price of milk or bread or meat for school kids. In Washington, D. C., for instance, school children pay a three cent fare, as against a normal cash fare of 17 cents.

Some suggest that the way to deal with transit problems is to turn them over to public ownership and operation. Today there are 39 publicly owned transit systems, but these, despite tax rebates and other benefits, aren't doing any better than the privately operated lines, in terms of fare or service.

POLITICAL interference undercuts efficient management of some municipally operated lines. Losses on public transit systems must be paid for somehow—and the losses may be high. In Boston the Metropolitan Transit Authority lost \$5,315,000 in 1951—a sum that had to be made up through higher real estate taxes in the city and 13 neighboring communities. Detroit's municipal system lost \$3,681,000; New York's city-run lines dropped \$100,000,000 in fiscal 1951-52.

The headaches of public ownership are today well enough understood so that few municipalities approach the prospect with eagerness. The trend, if anything, is away from public ownership.

Not public ownership, but public understanding, is the approach to solving the problem.

In the future, say the planners, some communities will set aside

streets for the exclusive movement of buses. Sidney H. Bingham, chairman of the New York City Board of Transportation, even foresees the day when all pleasure cars may be barred from the city's central core.

Once the public authorities recognize the vital importance of a healthy mass transit system, they will take steps—as Massachusetts has—to speed up the regulating process so that fares can be raised to meet increased costs without an unreasonable lag. More equitable methods also will be worked out to give the transit utility a fair chance to earn a fair return, so as to encourage private investment in the lines. As to the tax load, some communities—mainly to meet strike or shutdown situations—already have shown the way by reducing or eliminating the hated gross receipts tax, and other direct and indirect imposts.

THE transit industry itself, long sulking with a nobody-loves-me complex, has in the past couple of years come out of its corner and publicly proposed—as in Philadelphia—new ideas to help itself and its community.

Some lines have come up with reduced fares for family rides, for shopping days, for special night events, etc., to stimulate transit business. Some companies have installed newer, bigger, more comfortable buses and trolley coaches. Some utilities have tried zone fares, instead of flat fares, to encourage short-haul rides. Some have launched intensive local publicity campaigns to change public derision into understanding.

Roger W. Babson, the investment counselor, sees the day in the near future when city governments will go all out to help the mass transit systems, and to urge public use of buses and streetcars as a matter of municipal self-survival. He envisions the day when transit companies will exploit other sources of revenue, such as transit ads, transit radio, silent movies, and even commercial spot announcements by the bus drivers: "Next stop 13th Street. The Boston Store is having a special sale of white goods." The financially haggard transit companies of today will prove tomorrow to be a "gold mine," Mr. Babson predicts.

Meanwhile, for the present, the increasing traffic congestion and flight to the suburbs make it increasingly clear that it's up to the municipalities to help themselves by helping improve and strengthen their transit lifeline.

END

More Responsible Than You Were

(Continued from page 31)

once in talking with Jim asked: "What effect would this or that decision have on your family?"

Finally, employers might realize that for the young employees military service looms very large—whether it is the draft or the possibility of being called back. Even if they are not in the service, even if they do not expect to be called back in the foreseeable future, they still look to the company to help them and their families should they be called in. This means in the first place that there should be somebody in the business whose job it is to maintain personal contacts with the wife and the family of the men who are called in the service.

It is reassuring to a young man to know that such a person exists.



It is more reassuring to the young wife to know that there is someone she can turn to should she need help, someone with whom she can talk about her husband's readjustment to civilian life before he actually gets back out of the service.

Only the other day a young man I know turned down a most inviting offer from a small company and decided instead to stay in his much less well paid and much less exciting job with a big company.

"I wanted to take the other job," he said. "But Mary pointed out that in my present company they have somebody whose job it is to look after the men in the service and to maintain liaison with their families. Of course I don't think I'll get in any more—I'm getting a

little old. But after all, one never knows. While Mary would probably manage should I be called in, as she did the last time, I'd rather have somebody to whom she can turn.

"I know I'm probably missing out on the chance of a lifetime; but I have to think first of Mary and the kids. In the other company they have no one like this—the company is just too small. Sure, I know in a real emergency Mary could go straight to the boss; but it's not the same thing as going to somebody whom you know and whose job it is to handle such things."

That this is a real concern of the young people is shown by the success which several small companies in an industrial town in the Midwest have had when they cooperatively organized a "Veteran's Office" for their employees in the service and their families. These six or seven small companies had only a few men actually in the service at the time they announced the new policy; and they had had no difficulty keeping in close touch with these men and their families. Yet the move brought a tremendous response from the younger men on their payroll.

It has proven one of the major talking points in hiring new employees from high school or college. As one of the men responsible for this move said to me:

"Getting young people to work for you and keeping them may well be the most important problem for small business in the years ahead. It certainly will decide whether a small business can expand or not. For from now until 1960 the number of young people available will steadily shrink—a result of the low birth rates of the 1930's. If we keep on losing them to government service or to the big corporations because we do not understand what their problems are, we, in small business, will simply die of old age."

But the biggest help to the young people is not something the individual employer can do. The biggest need is a national policy on reservists, a national policy that again convinces the young people that there is some justice, some reason and some predictability in their lives. The hope for such a policy was, after all, one of the main reasons why so many of them voted as they did last November.

END

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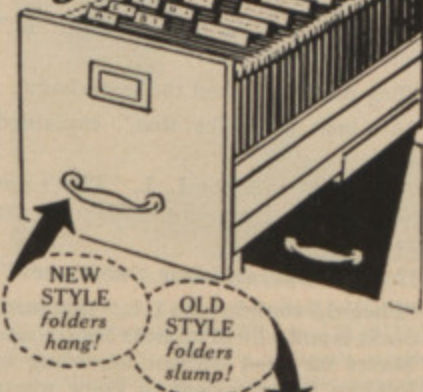


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NEW SALES in OLD MAGAZINES

NOT long ago, an elderly, nautical looking man walked into a small book shop on Sixth Avenue in New York City and said to Ben Friedman, part owner: "The public library across the street sent me. They said I might be able to pick up a back issue of a boat magazine."

"That's right," Mr. Friedman replied. "Which one are you looking for?"

"*Rudder*," the man said. "I'm interested," he added hesitantly, "in the November, 1894, copy."

Without batting an eye, Mr. Friedman repeated the request into an intercom alongside his desk. In a few minutes the magazine, yellow with age but in good condition, was brought up from the basement stockpile and the shop had another astonished but delighted customer.

The spectacled, dark-haired Friedman brothers, Ben and Sid, seldom are dismayed by a request for some long outdated issue of a magazine. They consider it quite normal, for during the past 20 years they have built up a reputation of keeping one of the most extensive back date magazine libraries in the country.

When the Friedmans took over the store in 1932—known today as the Midtown Magazine and Book Shop—the place sold toilet articles, trinkets and a few discarded magazines and books. Selling old magazines had proved to be a fairly profitable business downtown, so they decided to junk everything but the literature and follow suit.

The two toured the city for a month picking up discarded magazines. After that, word got around and people began bringing them in by the dozens.

Where they once sold about 100 magazines a day, they now average better than ten times that number. One of the reasons for the increase, they believe, is that there are more people who come in to buy magazines for research work. About 350 different titles out of a total stock of more than 1,000,000 magazines supply material to doctors, lawyers, teachers, students and writers.

—JACK CARROLL



Pete Progress and the lop-sided leprechaun

"Sorry about your infirmity, Mr. L.," said Pete Progress.

"Beg pardon?" asked the leprechaun.

"All bent over like that," explained Pete.

"Oh, that," said the L. L. "That's not an infirmity. I just like to keep my ear to the ground."

"In that case," said Pete, "what's new?"

"I heard," confided the L.L., "that some outfit found a lot of treasure hereabouts. Makes me mad because according to folklore I'm supposed to know where any treasure is buried. And I don't."

"Sounds like the Chamber of Commerce," said Pete. "You bet they found treasure. Got three big companies to

move here. Brings lots of new money and job opportunities into town. The chamber is always right on the job working on projects to improve the community—better traffic conditions, recreation centers, schools, industrial development, improved retail trade, police and fire protection. All the members say it's more profitable to *give* rather than to *take*!"

"Say, that sounds like a real sharp outfit," said the L. L. "I think I'll go down there and take some lessons."

"Watch out that you don't get a shock," said Pete.

"How come?" asked the Leprechaun.

"I understand that the place is full of live wires," answered Pete, hurrying off.

**Your chamber of commerce is working
for you. Why don't you help them?**



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Results for grocers

CONTINUING its effort to provide the small businessman with guides for judging how well he is running his business, Dun & Bradstreet has recently released a study of the operating results of 260 combination grocery-and-meat stores.

This cost of living survey, based on figures for 1950, covers both self-service and counter-service stores having annual sales volume of \$500,000 or less.

Some of the sidelights:

The study showed an average gross margin of 16.3 per cent and a typical net profit (before taxes) of 2.0 per cent; expenses averaged 14.3 per cent of net sales. Owners' salaries were 3.7 per cent in the typical store. Profit and owners' salaries together totaled 5.7 per cent, or about \$8,000 in a store handling the typical volume of \$139,600. Employees' wages took 5.4 per cent of each sales dollar. Stocks were turned 17.2 times during the year.

Tax-exempt garages

BUFFALO, N. Y., has come up with a new idea for solving its parking problem—an ordinance exempting from taxation any building constructed, or remodeled to provide off-street parking.

As the American Municipal Association describes it, the exemption applies to general taxes only—not special assessments—and runs for 15 years. Neither does it apply to the land on which the building stands.

To qualify for exemption, buildings must have space to park at least 150 cars and an area equal to at least 75 per cent of the floor area of the building must be used for parking. Exemption is proportionate to the percentage of parking area to the total area.

Coffee for speeders

SENTENCING a traffic violator to drink a cup of coffee may strike the public — and the speeder — as an

odd departure in law enforcement but Tucumcari, N. M., population 6,000, finds it gets results.

The Chamber of Commerce, disturbed by the town's reputation for toughness with speeders, including out-of-town visitors, introduced the new plan by underwriting the free coffee.

Now, when a policeman flags down a first offender, he hands him a printed list of traffic "don'ts" and a coupon for free cups of coffee for himself and all his passengers at the nearest eating place.

Apparently while drinking coffee on the house, the motorist studies the traffic "don'ts" and repents his own thoughtlessness. In any case, traffic offenses have fallen off sharply. Meanwhile, the Chamber finds the free coffee is more than paying for itself in good will and safer streets.

Country's "best customers"

HALF the people who buy things don't know they are going to do it. At least that's how it looks to National Family Opinion, Inc., a Toledo research organization, after a poll of 1,000 families selected as representing a typical cross section of the country's citizens.

Asked, among other things, if they anticipated making a major purchase—\$100 or more—within six months, 51.4 per cent of the families reported that they did.

But, six months later, another question revealed that half of the families which had expected to buy a \$100 item had not done so while half of those who had no such intention had actually made such a purchase.

Unbroken egg record

IF IOWA hens had laid their eggs end to end in 1952 they would have circled the earth six times at the Equator, according to that state's development commission. The production was 4,863,000,000 eggs, 80,000,000 more than the preceding year, and the best record set up by hens in any state.



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LET'S LOOK BEFORE WE ADOPT 'EM



THE League of Nations Palace, monument to a shattered dream of peace among men, rises high and stately on a wooded hill just north of the city of Geneva, Switzerland.

Here in old world elegance (rented for the occasion) sit the representatives of 60 nations, called to order to consider the business of the International Labor Organization.

Most of the delegates are present as direct representatives of governments, for two reasons. First because ILO calls for delegations made up of two representatives of the state, and one each from labor and employers. And second, because absenteeism is lowest among the government people.

Consider the session in progress. The subject: maternity care, to be provided by governments and employers to their people. The discussion is the climax of years of spadework carried on by the dedicated staff of ILO, housed nearby in the organization's own elegant building.

The discussion becomes spirited as a delegate

from Israel spearheads a drive to gain a point. France resists. The point: Should employed nursing mothers be given an hour of paid time per day to nurse their babies in one period, or should it be split into two half-hours? Israel wants one hour, straight. France holds out for two 30-minute nursing periods.

That issue was settled, in due course. France won the point. It took one afternoon. More complicated was another point of the same matter and it took more time to settle it.

The conferees decided that a mother unable to nurse her own child should be provided with milk by her government. The international body almost got past that point and on to another when an alert delegate got the floor and raised this heretofore overlooked question:

If government pays for milk for the babe whose mother is not able to nurse him, what of the child whose mother has this ability? Is not this latter infant being penalized by good fortune—as far as government largesse is concerned? Is not this august body about to commit an unfairness to an innocent infant?

The debate drones on, for hours. Finally it is settled, to the satisfaction of a majority of the world organization. The delegates decide the mother who can provide her own milk should be paid by the government for doing so, and paid by her employer while dispensing it (for two half-hour periods daily on work days).

Sound absurd? It happened. And what's more the ILO convention concerning maternity protection and its accompanying recommendation were approved by the conference. Now it awaits the adoption in the United States, a member nation.

To apply that convention here would require approval of the President and two thirds of the United States Senate—two thirds of the members present when the vote is taken.

There's slight chance President Eisenhower, or the present Senate, would approve the ILO convention on maternity protection. But the record shows that international treaties have been approved by the Senate with as few as six members present.

That's a point to keep in mind—particularly when you're considering the present movement to tighten this nation's international treaty mechanism by requiring that treaties must be implemented by our own law, passed in regular procedures, before they apply as domestic laws in the United States.

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